

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Chief Executive

**Audit & Performance Review Committee Committee: 21 June 2006**

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**Subject: Remit, Timetable and Membership - Audit and Performance Review Committee**

#### **1. Purpose**

- 1.1** This follows the report to the Audit & Performance Review Committee, (A&PRC), on 8<sup>th</sup> March 2006 which considered issues relating to the remit of the committee. This report develops the discussion on these issues to meet the requirements identified in the Council's draft Best Value Improvement Plan.

#### **2. Background**

- 2.1** The draft Improvement Plan for the Best Value Audit specifies that we will review the remit, timetable and attendance at the A&PRC.

- 2.2.** At its meeting on 8<sup>th</sup> March 2006, the A&PRC considered a report from Internal Audit on the remit of the committee. The discussions resulted in a number of recommendations which were subsequently approved by Council. These were as follows:

- (1) that appropriate Internal Audit reports would be submitted to the Committee in future, in order to inform on the System of Internal Control;
- (2) that, as the inclusion of Internal Audit reports would invariably expand the business of the Committee, only reports which related to the System of Internal Control would be submitted at the discretion of the Chief Executive (i.e. reports on Systems/Risk/Contract/Computer/Regularity);
- (3) that the Corporate Services Committee would be the most appropriate forum to scrutinise performance of the Chief Executive's Department, given recent changes to departmental structures; and
- (4) that the development and implementation of Best Value would continue to be dealt with within the remit of Audit & Performance Review Committee.

- 2.3** These changes mean that the committee is now largely compliant with CIPFA guidance. The changes have been incorporated in the original remit of the A&PRC, and this updated document is attached as Appendix 1.

- 2.4** The additional issues which members are now asked to consider are summarised in the draft Best Value Improvement Plan and include:
- 2.5** Remit – e.g.
- Would there be an advantage to separating the audit part of the remit from the performance review, (as suggested in CIPFA guidance)?
  - Would there be value in expanding the scrutiny role of the committee (i.e. to include greater consideration of the impact of policy) – as opposed to maintaining the current emphasis on performance review (of services)?
- 2.6** Membership and Attendance – e.g.
- Is there a case for expanding the membership of the committee to include non elected representatives with expertise in audit and performance review?
  - How might Opposition members be encouraged to participate?
  - Which officers are required to attend?
  - How might members of the public or community representatives be encouraged to attend meetings in order to see the scrutiny and review process in action?
- 2.7** Timetable – e.g.
- The options for timetabling will depend on any decisions taken about the remit of the committee, but could include either meeting more frequently (2 monthly), or splitting the agenda to create 2 committees.
- 2.8** A cross section of elected members and officers has been consulted in the preparation of this report.

### **3. Main Issues**

#### Remit

- 3.1** *Scrutiny role* - Although all elected members have a general responsibility for scrutiny, the role of the committee could be expanded to include wider scrutiny of both policy development processes and the impact of policies, (in addition to the current emphasis on monitoring service performance). The Opposition has indicated that a meaningful role in the scrutiny of policy would encourage greater involvement by their members. A further development might be the option of the Committee being chaired by an Opposition member.
- 3.2** A further option may be to use a scrutiny / performance review function to examine key issues raised by members of the public or community representatives. These might be identified using vehicles such as Freedom of Information, (Fol) requests, the website Forum or the Community Participation Committee (CPC). This could make scrutiny / performance review of greater interest to the public.
- 3.3** *Training* – It is suggested that, as the function of the A&PRC differs from the role of thematic/service committees, it would be of general assistance to

provide training which would support in this process. This would be of particular relevance if the decision is taken to enhance the scrutiny role of the committee. (Members will have had details of a course being organised by CIPFA in the Autumn of 2006 which addresses scrutiny issues in the context of Best Value.)

- 3.4** *Splitting the responsibilities of the committee between separate Audit and Performance Review Committees.* - The view was expressed that a split might clarify the focus of the 2 main areas of the committee's work – and would increase our compliance with CIPFA guidance. It may also be that, if the remit was expanded to include a greater scrutiny function, there would be an increased need for a different format of meetings. Nevertheless, there was an alternative view that these areas sit well together, and that if the audit function were to stand alone, then it may be more difficult to attract public interest in the work of that committee. The consensus was that immediate change is unnecessary, and that the current committee arrangements should continue at least until the elections in 2007.

#### Membership and Attendance

- 3.5.** *Non elected representatives* – It has been noted that committee arrangements in a number of local authority areas include provision for non elected representation on the A&PRC (or equivalent). It is suggested that this approach can increase the profile of issues considered by the committee. Nevertheless, given the nature of the business involved, the general approach is to seek local representatives who have a professional or personal expertise in audit and performance issues. The system of appointing or electing such representatives varies from one area to another. It is suggested that if members wish to pursue this approach, officers should be requested to present options for this process.
- 3.6** *Opposition members* – It has been noted that Opposition members do not attend the A&PRC in its current form. The points made in paragraph 3.1. indicate that the reason is the perceived lack of opportunity to scrutinise policy in a meaningful way. It is suggested that members should take account of this view when considering the proposal to expand the remit of the committee to include a greater emphasis on scrutiny matters.
- 3.7** *Officer responsibilities* – It is suggested that, due to the wide ranging focus of the A&PRC, a variety of officers will be required to attend on specific issues. The Chief Executive and Head of Finance will have central roles, with the officers responsible for Internal Audit and Best Value / Performance Review taking responsibility for these agenda issues.
- 3.8** *Wider general attendance by members of the public* – It is suggested that the proposals in paragraph 3.2. may encourage greater public interest in the work of the A&PRC. In addition, it is suggested that community members of the CPC should receive specific information about the agendas of the A&PRC and a specific invitation from the convenor to attend as observers. Public

attendance at meetings could be monitored with a view to bringing further suggestions at a future date.

#### **4. Personnel Issues**

4.1 There are no personnel issues.

#### **5. Financial Implications**

5.1 Any financial implications would result from any recommendation to meet more frequently or split the remit between 2 committees. There would be additional costs in servicing such structures.

#### **6. Conclusions**

6.1 The commitment to review the remit, timetable and attendance of the A&PRC has identified a range of issues and recommendations. The issues are outlined in paragraph 3 and recommendations are set out in paragraph 7.

#### **7. Recommendations**

7.1 Members are asked to consider:

1. Whether the remit of the A&PRC should be expanded to include a greater scrutiny function.
2. In doing so, members are asked to consider the view of the Opposition that the A&PRC should have an effective role in calling policy to account. In this context, it would be appropriate for the committee to monitor both the policy development processes and the impact of policy.
3. As a related matter, members are asked to consider whether they would wish to allocate the chair of the committee to an opposition member.

7.2 Members are asked to consider whether they would wish to use the A&PRC to focus on issues raised by community representatives and/or members of the public, (e.g. identified via FoI requests, website forum or CPC). If this is agreed, officers should be requested to produce proposals outlining how this might operate.

7.3 Members are asked:

1. To agree the importance of training to support the specialist functions of the audit and performance review remits and to require all members of the committee to attend appropriate training
2. To identify any specific training opportunities which they believe would be useful, and,
3. To request that officers develop and provide an appropriate range of training.

7.4 It is recommended that whether or not the remit is expanded, there should be no split of the functions of the committee at this time. The period between now and the elections in May 2007 will allow the functioning of any revised

remit to be assessed, and any changes needed might best be implemented at that time.

- 7.5. Members are asked to consider whether they would wish officers to present options for non elected representation on the A&PRC.
- 7.6. Members are asked to approve the proposals for officer responsibilities as outlined in paragraph 3.7.
- 7.7. Members are asked to approve the proposals for encouraging, and monitoring, the attendance of members of the public, as outlined in paragraph 3.8.
- 7.8. Options for timetabling will depend on any decisions taken about the remit of the committee, but could include either meeting more frequently (2 monthly), or splitting the agenda to create 2 committees. It is suggested that members reconsider this issue after the elections in May 2007, following any decisions to expand the remit of the committee, and based on experience of the operation of revised arrangements.

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Tim Huntingford  
Chief Executive

**Person to Contact:** Liz Cochrane, Principal Policy Officer – Chief Executive’s Department. Garshake HQ, 01389 737271  
[liz.cochrane@west-dunbarton.gov.uk](mailto:liz.cochrane@west-dunbarton.gov.uk)

**Background Papers:** Report to A&PRC 8<sup>th</sup> March 2006  
How best to hold local government to account – The scrutiny debate – David Walker for SOLACE

**Wards Affected:** All council Wards.

## **Audit & Performance Review**

### **1. General**

The purpose and remit of Audit and Performance Review Committee is to:

- Carry out Audit and Performance Review monitoring in West Dunbartonshire
- Monitor the Best Value and Performance Management Planning activities of the Council. This includes responsibilities under the Local Government (Scotland) Act 2003.

The Audit and Performance Review Committee will undertake a number of general responsibilities. These include:

- Ensuring that the policies of the committee and the services reporting to the committee are responsive to the needs of local people.
- Involving local people and staff in service planning and ensuring that their views are sought on the development and delivery of services.
- Promoting Social Inclusion and Equal Opportunities in all aspects of the services for which the committee has responsibility.
- Promoting Health Improvement in all aspects of the services for which the committee has responsibility.
- Overseeing the development of relevant inter agency issues and supporting partnership working.
- Setting performance targets (within the context of the Corporate and Service Planning processes), for the overall standards of service and to receiving reports on these.
- Monitoring any capital expenditure in respect of the committee's activity.
- Monitoring revenue budgets in respect of the committee's activity.

### **2. Best Value and Performance Review**

The Audit and Performance Review Committee will oversee the development and will monitor the implementation of Best Value. It will oversee the provision of statutory and other performance information. This may include:

- Considering performance reports on Service Plans.
- Considering reports on all Best Value and related matters.
- Considering reports on Statutory Performance Indicators and Scottish Executive Statutory Returns.
- Monitoring the Council's Complaints System, Equal Opportunities Policy, and related issues.
- Considering reports on Social & Economic matters.
- Reviewing performance information from all departments.

### 3. Audit

The Audit and Performance Review Committee will develop and monitor the provision of relevant Audit services. This may include:

- Considering Annual/Strategic Audit Plans and performance reports.
- Considering other appropriate Internal Audit matters.
- Considering appropriate Internal Audit reports to inform the System of Internal Control (i.e. reports on Systems / Risk / Contracts / Computers / Regularity)
- Considering annual Audit Planning Memorandum.
- Considering External Audit reports/action plans.
- Considering Audit information from all departments
- Receiving reports on the Council's Corporate Governance arrangements, Risk Management, and Internal Financial Control Statements.