SCRUTINY FRAMEWORK

1.0   SUMMARY

1.1   The purpose of this paper is to present the proposed Scrutiny Framework which incorporates the scrutiny prioritisation process and the proposed terms of reference for the scrutiny aspect of the Audit & Scrutiny Committee.

2.0   RECOMMENDATIONS

2.1   Members are requested to:

- Approve the Scrutiny Framework, incorporated scrutiny prioritisation process and the terms or reference which will be appended to the existing terms of reference for the audit aspect of the Audit & Scrutiny Committee.
- Note the Chief Internal Auditor's (CIA) intention to develop more detailed guidance manuals to help deliver scrutiny reviews.
- Agree the next steps to develop the annual scrutiny work programme.
- Note the CIA's intent to consider the most effective way to resource the scrutiny work plan going forward.

3.0   DETAIL

3.1   In 2012 the Council established the 'Performance Review and Scrutiny Committee' (PRS) as a central committee of the Council. The scrutiny element of the committee was focused on monitoring the delivery of improvement programmes, commenting on council decisions and policies and making recommendations for improvement as deemed appropriate. The PRS Committee carried out this remit until 2017 when a decision was taken to move the responsibility for scrutiny to a newly established Audit & Scrutiny Committee (previously called the Audit Committee).

3.2   In February 2016 the PRS Committee approved a Scrutiny Handbook as a reference point to undertaking effective scrutiny. It was noted at that meeting that the handbook was a working document which may evolve as scrutiny processes mature within the Council.

3.3   At an Audit & Scrutiny Committee Development Day held on 2 November 2017 it was agreed that the CIA would draft a Scrutiny Framework which incorporated a scrutiny prioritisation process to ensure there is a clear and transparent method for assessing potential scrutiny topics.   It was also agreed that the CIA would draft terms of reference for the scrutiny aspect of the Audit & Scrutiny Committee. These will be appended to the existing terms of reference for the audit aspect of the Audit & Scrutiny Committee as part of the annual update of the Council Constitution which is reported to full Council in April.

3.4   The CIA presented the draft prioritisation process to the members of the Audit & Scrutiny Committee (the Committee) in a meeting immediately prior to the 1st

December meeting of the Committee. On 5th December 2017 the draft Scrutiny Framework, incorporating the prioritisation process, was circulated to all members of the Committee with an invitation to comment in advance of the March committee.

3.5   This framework gave cognisance to the Scrutiny Handbook previously approved however the CIA is of the view that the handbook was a more detailed guidance document rather than an overarching framework. As referenced in the proposed framework the CIA will develop and maintain guidance for each of the key stages of a scrutiny review, this guidance will more closely reflect the previously approved handbook.

3.6   The scrutiny work considered by the Audit and Scrutiny Committee is performed alongside the Council's Performance Improvement Framework (PIF) which sets out the Council's approach to continuous improvement and the agreed mechanism for achieving best value across all services. Core to the framework is the role that performance review and scrutiny takes at all levels of the organisation through the process of analysing performance scorecards. Aligned with the review and scrutiny of performance is the highly important approach to Self-Assessment, which is set out in the Argyll and Bute Improvement Framework (ABIF). Based on EFQM, this framework complements nationally agreed self-assessment processes for services such as Education and Social Work and is specifically tailored to Argyll and Bute Council's needs. Self-assessment will be rolled out at team level across the organisation on a phased basis and the resultant findings will be reported to the appropriate Strategic Committees, thus enabling scrutiny by members. All actions from these self-assessments will be included in the single service plans.

3.7   With an approved framework and prioritisation process established, and clarity over the scrutiny remits of the Audit and Scrutiny Committee and strategic committees, it is important that the Committee considers the next steps to create a scrutiny work programme. The proposed framework has a 'Developing the Scrutiny Work Programme' section which confirms that the Committee, on an annual basis, will seek ideas for scrutiny by inviting all members and senior officers to suggest potential topics. Topics will be assessed by the CIA using the agreed prioritisation process with those assessments informing the draft scrutiny plan for the year. The draft plan, with copies of the assessments, will be provided to members of the Committee for comment and feedback.

3.8   The scale of each assignment will vary depending on the topic however, based on experience and available resource, the CIA is of the view that four scrutiny topics per annum would be appropriate.

3.9   The final scrutiny plan should then be approved by the Committee. From 2019 onwards it would be sensible for this approval to take place at the March sitting of the Committee meaning the annual plan is aligned to the Council's financial year. However, for 2018, it is the recommendation of the CIA that the invitation to members and senior officers is made in March with a view to approving the annual plan at the June 2018 meeting of the Committee. The final plan will be a dynamic plan meaning that, if necessary, it can change to reflect an emergent issue. In that event the change, and justification for it, would be reported to the Committee for their consideration and approval.

3.10   The CIA currently has a budget to recruit a part time (17.5 hours) scrutiny officer at pay scale LGE11 (£32,775 - £38,541 pro rata). The post has been vacant

since August 2017. The CIA, appointed in October 2017, took the view not to fill the post until there was further clarity over the Council's approach to scrutiny and a clearer picture of associated resource requirement.

3.11   As the skills and experience required to carry out scrutiny reviews and internal audit reviews are broadly similar the CIA is of the view that there would be greater benefit if the vacant post was advertised as an internal audit role rather than specifically a scrutiny role. The performance of scrutiny work would then be carried out by the internal audit team with the allocation of reviews to staff being based on the CIA's professional judgement and the background and skill sets of the whole internal audit team. This would provide greater flexibility within the internal audit section and also development opportunities for the internal audit team. The CIA will discuss this further with the Head of Strategic Finance and the Head of Improvement & HR with a view to appointing in the summer of 2018 (aligned to the proposed approval of the annual scrutiny plan) with the appointment being at the budgeted scale.

4.0   CONCLUSION

4.1   This report formalises the Council's approach to scrutiny and provides a clear process to ensure potential scrutiny topics are assessed in a manner which is transparent with decisions supported by the consistent application of relevant criteria.

5.0   IMPLICATIONS

5.1	Policy:	Scrutiny Framework approved
5.2	Financial:	The CIA has an allocated budget to deliver an annual scrutiny work programme
5.3	Legal:	None
5.4	HR:	Vacancy to be filled using Council's established recruitment process
5.5	Equalities:	None
5.6	Risk	Formalising approach to scrutiny should contribute to overall risk assurances levels within the Council
5.7	Customer Service	None

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APPENDICES

1. Scrutiny Framework

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