



**OVERVIEW AND SCRUTINY COMMITTEE**

**5<sup>TH</sup> MARCH 2019**

**AGENDA ITEM (11)**

**REVIEW OF OVERVIEW AND SCRUTINY/AUDIT ARRANGEMENTS**

<b>Accountable Members</b>	Overview and Scrutiny/Audit Committees
<b>Accountable Officer</b>	Nigel Adams Head of Democratic Services 01285 623202 nigel.adams@cotswold.gov.uk
<b>Purpose of Report</b>	To review operating arrangements and consider whether any changes would be beneficial
<b>Recommendations</b>	<b>That the Committee reviews its current operating arrangements, and those of the Audit Committee, and considers whether any changes would be beneficial.</b>
<b>Reason(s) for Recommendation(s)</b>	To review operational arrangements, to ensure that they are fit-for-purpose and reflect good practice.
<b>Ward(s) Affected</b>	N/A
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	N/A
<b>Financial Implications</b>	The return to a combined committee would impact on the overall amount of Special Responsibility Allowances payable.
<b>Legal and Human Rights Implications</b>	Any revised structure would need to comply with legal requirements. The Council's Constitution would need to be amended to reflect any changes agreed.
<b>Environmental and Sustainability Implications</b>	None
<b>Human Resource Implications</b>	Dependent upon arrangements to be implemented
<b>Key Risks</b>	None

<b>Equalities Impact Assessment</b>	Not required
-------------------------------------	--------------

<b>Related Decisions</b>	Council, 24 <sup>th</sup> February 2015 - Review of Decision-Making Arrangements (Minute CL.47)
<b>Background Documents</b>	None
<b>Appendices</b>	<b>Appendix A</b> - Existing Terms of Reference of Overview and Scrutiny Committee and Audit Committee

<b>Performance Management Follow Up</b>	Report comments to Audit Committee
---	------------------------------------

<b>Options for Joint Working</b>	Whilst joint working is a strategic aim at Officer level, the Council has always stated that it would wish to retain its independence at Member level.
----------------------------------	--

<b>Background Information</b>	
1. <u>General</u>	
1.1 Officers regularly keep decision-making arrangements and other Constitutional matters under review, having regard to any legislative changes and/or operational matters that arise from time to time, and present any suggestions to Council (usually so that any changes can be implemented in time for an ensuing Municipal Year). Such 'informal' reviews supplement more periodic major reviews that are conducted, often involving a working group of Members.	
1.2 The Committee's work programme includes a review of the current operational arrangements in relation to scrutiny and audit in advance of the end of the current Council term, so that it can be informed by the experiences of current Members.	
2. <u>Historic Perspective</u>	
2.1 Overview and scrutiny arrangements were first introduced in 2001, when the Council moved to an executive structure. There were originally two committees.	
2.2 In April 2005, the Council agreed that the then two existing Overview and Scrutiny Committees should be replaced by one Overview and Scrutiny Committee and a stand-alone Audit Committee.	
2.3 The two Committees were merged in May 2013. While the proposal did not conform to CIPFA Best Practice guidelines, it did not specifically conflict with Government guidelines.	
2.4 However, whilst the Council decision at the time had been based on an assumption that an audit sub-group would be established, the new Committee did not support the Council's suggested sub-group arrangements, as it felt that it would merely replicate the former two committee structure. As a result, the workload was largely undertaken by the Committee as a whole.	

2.5 Ahead of the 2015/16 Municipal Year, the Council took the decision to revert to a standalone Audit Committee and a stand-alone Overview and Scrutiny Committee, and this arrangement has operated since.

3. Current Arrangements

3.1 The terms of reference of the two current committees are attached at **Appendix A**.

3.2 The Committee is asked to review these, consider whether they remain fit-for-purpose, and identify any potential improvements/changes.

3.3 Your Officers and external auditors remain of the view that separate scrutiny and audit committees remains best practice and represents the most effective form of governance. The existence of an Audit Committee also reflects best practice in the eyes of both MHCLG and CIPFA.

3.4 The separation of the audit/governance/risk elements from overview and scrutiny provides a greater clarity from an external audit perspective, and offers an 'independent' contribution in respect of assurance and governance. Furthermore, part of the key role of the Audit Committee is to gain assurances that the executive and scrutiny functions are operating effectively as part of the overall governance/control framework of the local authority - providing further justification for the Audit Committee to be independent of both the executive and scrutiny functions.

4. Audit Committee

The Audit Committee will also be asked to consider operating arrangements, at its April 2019 meeting. The comments of this Committee will be fed into the Audit Committee debate.

(END)