

MAIDSTONE BOROUGH COUNCIL

SCRUTINY COORDINATING COMMITTEE

11 APRIL 2013

REPORT OF HEAD OF DEMOCRATIC SERVICES

Report prepared by Debbie Snook

1. RELATIONSHIP BETWEEN THE AUDIT COMMITTEE AND THE CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE

1.1 Issue for Decision

1.1.1 To consider the recommendations arising from the meeting between the Chairman and Vice-Chairman of the Audit Committee and the Chairman of the Corporate Services Overview and Scrutiny Committee held on 5 December 2012 to discuss the relationship between the two Committees and the development of complementary work programmes to avoid duplication.

1.2 Recommendation of Head of Democratic Services

1.2.1 That the outcome of the discussions between the Chairman and the Vice-Chairman of the Audit Committee and the Chairman of the Corporate Services Overview and Scrutiny Committee be noted.

1.2.2 That the Chairman and Vice-Chairman of the Audit Committee should meet with the Scrutiny Co-ordinating Committee at the beginning of each Municipal Year to discuss Committee work programmes and any areas of overlap to ensure that the Audit Committee does not carry out or duplicate work which is properly the responsibility of the Overview and Scrutiny Committees and that the Overview and Scrutiny Committees are aware of the work plan and role of the Audit Committee.

1.2.3 That the following protocol be adopted to manage the referral of issues either way between the Audit and Overview and Scrutiny Committees:-

In the event of the Audit Committee being minded to refer an issue to an Overview and Scrutiny Committee (or vice-versa), the issue, the reasons for referral and the desired outcome must be clearly understood, and specified in the minutes and the reference.

1.3 Reasons for Recommendation

- 1.3.1 At the meeting of the Audit Committee held on 17 September 2012, a number of Members sought clarity over the roles and responsibilities of the Audit and Corporate Services Overview and Scrutiny Committees. It was agreed that arrangements be made for the Chairman and Vice-Chairman of the Committee to meet with the Chairman and Vice-Chairman of the Corporate Services Overview and Scrutiny Committee to discuss how the Committees relate to each other and the development of complementary work programmes to avoid duplication. The meeting took place on 5 December 2012. The Vice-Chairman of the Corporate Services Overview and Scrutiny Committee was unable to attend due to a Deputy Mayoral engagement, but submitted a paper setting out his thoughts on the matter.
- 1.3.2 At the meeting on 5 December 2012, it was explained that the role of the Audit Committee differs from that of the Overview and Scrutiny Committees in that the role of scrutiny is to review policy and challenge whether the Executive has made the right decisions to deliver policy goals. The Audit Committee, however, provides independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and affects the control environment, and oversight of the financial reporting process.
- 1.3.3 It was recognised that although the Audit Committee's work programme is driven largely by statute and the governance and financial reporting cycle, there is a potential overlap between the work of the Audit Committee and the Corporate Services Overview and Scrutiny Committee having regard to their terms of reference. Additionally, there could potentially be areas of overlap with the other Overview and Scrutiny Committees. It was considered, therefore, that the co-ordination of work programmes is desirable not only to avoid duplication of work, but to ensure that resources are used most effectively.
- 1.3.4 The Scrutiny Co-ordinating Committee meets at the beginning of each Municipal Year to consider the Overview and Scrutiny Committee work programmes and address areas of overlap. It was suggested that the Chairman and Vice-Chairman of the Audit Committee should be involved in this process.
- 1.3.5 The Chairmen and Vice-Chairman also discussed whether there is a need for a protocol to manage the referral of issues either way

between the Audit and Overview and Scrutiny Committees. It was suggested that the adoption of the following simple protocol would clarify and inform any referral and help to ensure a constructive outcome:-

In the event of the Audit Committee being minded to refer an issue to an Overview and Scrutiny Committee (or vice-versa), the issue, the reasons for referral and the desired outcome must be clearly understood, and specified in the minutes and the reference.

1.3.6 The recommendations arising from the meeting held on 5 December 2012 will also be reported to the Scrutiny Co-ordinating Committee.

1.4 Alternative Action and why not Recommended

1.4.1 The Committee could choose to continue as at present, but this is not recommended as a greater awareness of the respective Audit and Overview and Scrutiny Committee work programmes will avoid duplication and engender more efficient and effective use of resources. It is also in line with the recommendations of the peer review of the Audit Committee undertaken by Local Government Improvement and Development. Similarly, the adoption of a protocol for the referral of issues between the Audit and Overview and Scrutiny Committees will help clarify the reasons for the referral and inform the subsequent debate.

1.5 Impact on Corporate Objectives

1.5.1 The co-ordination of the Audit and Overview and Scrutiny Committee work programmes thereby avoiding duplication and engendering more efficient and effective use of resources and the adoption of a protocol to manage the referral of issues between the Committees supports the objective of Corporate and Customer Excellence.

1.6 Risk Management

1.6.1 The co-ordination of the Audit and Overview and Scrutiny Committee work programmes will mitigate the risk of duplication of work and the inefficient and ineffective use of resources. The adoption of a protocol for the referral of issues between the Committees will mitigate the risk of inappropriate referrals and ensure that the debate is relevant and informed.

1.7 Other Implications

1.7.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

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1.7.2 The financial implications are outlined in the report.

1.8 Relevant Documents

1.8.1 Appendices

1.8.2 None

1.9 Background Documents

1.9.1 Terms of Reference of the Audit and Overview and Scrutiny Committees as set out in the Council's Constitution.