

AUDIT & GOVERNANCE COMMITTEE – 3 JULY 2013

Improving performance through closer working with the Performance Scrutiny Committee

Report by County Solicitor & Monitoring Officer

Introduction

1. The governance review undertaken by the Council and approved on the 2 April made changes to the decision making structure of the Council. One of these changes was a restructuring of the Council's scrutiny committee arrangements.
2. This Committee has asked for a report outlining the working relationship between the Audit & Governance Committee and the newly formed Performance Scrutiny Committee.

Roles and inter-relationship between the Committees

3. The role of the **Audit & Governance Committee** is to provide assurance that the Council's system of internal control and governance operates effectively; this includes the Council's risk and performance management framework.
4. To enable the Audit & Governance Committee to discharge this responsibility the Committee will continue to consider the Quarterly Business Management report as it did in 2012/13.
5. The purpose of the Committee receiving the Business Management report is not to comment on the specific performance or risk issues identified in the report, rather to use the report to assess and the effectiveness of the Business Management Framework.
6. The role of the **Performance Committee** is to hold the Cabinet and Directors to account for delivery against its performance and financial targets.
7. The Performance Scrutiny Committee is part of the Council's Governance Framework and it is reasonable for the Audit & Governance Committee to consider the effectiveness of the Performance Committee in discharging its responsibility as part of the Business Management Framework.
8. The Performance Committee will meet five times a year to consider the key performance indicators and the Monthly Monitoring Report (MMR) information, which will be collated into a quarterly report. The Committee will then identify areas it wishes to scrutinise in greater depth and through this more detailed scrutiny hold directorates to account for improvements. The

Chairman of the Performance Committee will report to Cabinet on a quarterly basis on the overall performance of the council and progress against key areas for improvement

9. Where the Audit & Governance Committee identifies a specific performance or risk issue that it considers need further scrutiny it can refer this matter to the Performance Scrutiny Committee. It can then require the Performance Scrutiny to provide a report back to the Audit & Governance Committee to evidence that the matter has been addressed and that the system of Business Management has operated effectively.
10. Where in the course of its work the Performance Committee identifies an area of the Business Management Framework that is not operating effectively it can refer this matter for further consideration by the Audit & Governance Committee.
11. There will be occasions when the Audit & Governance Committee become aware of performance issues which may warrant further investigation; but the investigation must relate to issues of control (or to the failure of such controls) to address the performance in question. In such circumstances, it will be a matter for the Performance Scrutiny Committee to consider whether the issue warrants separate scrutiny.

Respective terms of reference

12. The paragraphs above give an overview of the roles of each Committee. The table below summarises the terms of reference of each with regard to the issues of performance within their particular remits.

Audit and Governance	Performance Scrutiny
<ul style="list-style-type: none"> • To provide assurance that the Council’s system of internal control and governance operates effectively; this includes the Council’s risk and performance management framework • To draw to the attention of the appropriate scrutiny committee any issues which in the Committee’s view would benefit from a scrutiny review or further investigation. • To monitor the performance and effectiveness of Internal Audit Services 	<ul style="list-style-type: none"> • To hold the Cabinet and Directors to account for delivery against its performance and financial targets. • To consider the key performance indicators and the Monthly Monitoring Report (MMR) information • To identify areas of performance or financial concern that it wishes to scrutinise in greater depth and through this more detailed scrutiny hold directorates to account for improvements

Options to enable closer working

13. In light of the roles and terms of reference of each Committee, the Audit & Governance Committee is invited to consider how best to manage the interdependencies between the two committees:
- To what extent should there be joint working planning between the two committees? Could this be managed by regular meetings between the Chairmen of both Committees?
 - Should there be formally scheduled occasions when the two Committees meet together to evaluate the effectiveness of the joint working arrangements, perhaps on a bi-annual basis?
 - Should an invitation be extended by the Audit & Governance Committee for the Chairman of the Performance Committee, or their nominee, to attend the Audit & Governance Committee meetings, and this offer then reciprocated by the Performance Committee?

RECOMMENDATION

14. **The Committee is RECOMMENDED to consider the options for closer working between the Audit & Governance Committee and the Performance Scrutiny Committee set out in paragraph 13 of the report.**

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Background papers: none

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