

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	20 th February 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Elected Member Scrutiny
REPORT NUMBER	CORS/25/019
EXECUTIVE DIRECTOR	Andy Macdonald
CHIEF OFFICER	Vikki Cuthbert, Interim Chief Officer – Governance
REPORT AUTHOR	Vikki Cuthbert, Assurance Manager
TERMS OF REFERENCE	Remit 2.3

1. PURPOSE OF REPORT

- 1.1 To seek the Committee's feedback on proposals for improving elected member scrutiny as recommended by Audit Scotland in their thematic Best Value report on strategic priorities, prior to these being presented to Council in April as part of the Scheme of Governance annual review.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 Note the progress made by the elected member Governance Reference Group on developing scrutiny improvements and thank the internal and external auditors for their input to date;
- 2.2 Provide feedback on the approach being proposed by the Group to enhance the Council's scrutiny approach as recommended by Audit Scotland; and
- 2.2 Note that the Interim Chief Officer – Governance will, following feedback from this Committee, incorporate the proposals set out at paragraph 3.5 within the revised Scheme of Governance being presented to Council in April.

3. CURRENT SITUATION

- 3.1 The Committee agreed Audit Scotland's Best Value recommendations within the thematic report "Leadership on Development of Strategic Priorities" in May 2024, including the following:

"There is scope to use the committee more effectively to scrutinise council decisions. Terms of reference for committees should be reviewed and guidance developed to clarify how the process could be initiated, conducted and reported by elected members. Robust arrangements should be agreed to ensure terms of reference for scrutiny activity are clear, concise and the approach is consistently applied."

- 3.2 Officers and elected members within the Governance Reference Group have been discussing ways in which to address this issue within the annual Scheme of Governance review given the importance of effective scrutiny to the Council's governance arrangements. In addition, the GRG has been mindful of the Audit Scotland recommendation on the need to improve cross-party working:

“There is merit in the co-leaders, group leaders and independent councillors working collaboratively to create genuine opportunities to share experiences, hold conversations and work together to improve working relationships and resolve issues before they escalate. Annual proposals should be brought forward for cross-party working opportunities.”

- 3.3 The Group has met four times since August and has received information on scrutiny systems in place elsewhere and options for how these could operate within this Council. The options considered have ranged from an overhaul of the Council's committee structure to introduce a “cabinet style” system similar to those in place in many English authorities and emulated by some in Scotland, to enhancements to our existing processes to bring scrutiny to the forefront of elected members' role, supported by mechanisms such as training programmes and cross-party working groups.

- 3.4 These discussions have also included our colleagues in internal and external audit who have provided valuable insight on our practices. Members of the GRG have acknowledged that there are improvements to be made, and that these can and should be reflected in the Committee Terms of Reference, the Member Officer Relations Protocol, and the Council's Standing Orders.

- 3.5 The meeting of the Governance Reference Group on 22nd January 2024 instructed officers to bring proposals to its next meeting for the following revisions to be made within the Scheme of Governance and, in the meantime, to seek the views of the Audit, Risk and Scrutiny Committee as a key participant in, and facilitator of, elected member scrutiny:

1. Reflect more clearly within the Terms of Reference for all committees, members' duty to undertake scrutiny of 1) the Council's management of risk; 2) the Council's management of performance and of performance improvement; 3) management of the Council's financial resources; and 4) the development of and compliance with organisational policy which is designed to ensure that the council operates within relevant statutory, regulatory and professional frameworks.
2. Specifically, within the Audit, Risk and Scrutiny Committee Terms of Reference, ensure that there is a clear process for the committee to fulfil its remit under 6.1. This currently states that the Committee can determine that further consideration is required on a matter, after it has been concluded by Council or one of its committees, but that this should not alter any decision made. The intention is to review the effectiveness of decision-making or monitoring, and can lead to a recommendation back to the committee. This is akin to a “management assurance report” which sits within the second line of defence within our risk management model. Clearly defining the

circumstances under which this can happen, and the process to be followed, would be helpful.

3. Develop a programme of scrutiny training for elected members on specific committees, relevant to their remit and membership. This should recognise that scrutiny is a transferable skill but one which does need to adapt to the business of each committee, recognising that each committee operates quite distinctly, for instance when external members are included. Understanding what constitutes scrutiny, and how to scrutinise effectively, will be of particular value to members. Officers will explore external support for this, such as from the Improvement Service, Centre for Public Scrutiny and Audit Scotland.
 4. Continue to develop a structured approach to cross-party working – scrutiny at working group level contributes to the decisions made at committee and council meetings, even when such groups do not have decision-making powers. The annual Scheme of Governance review includes an evaluation of the Council's cross-party working relationships and proposals to enhance these.
- 3.6 Committee is asked to provide feedback on these proposals from the Governance Reference Group and to endorse the approach being taken to allow officers to finalise proposals for a revised Scheme of Governance to the Council in April. Should approval be given by Council, the recommendation from Audit Scotland at 3.1 can be closed.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 Responding to Audit Scotland recommendations is part of our Best Value duty under the Local Government in Scotland 2003. Any revisions to the Council's Scheme of Governance are proposed with full consideration given to any legal implications. These will be outlined in the report to Council in April.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

- 7.1 There are no risks arising from the recommendations in this report. This report provides information on the analysis of Internal Audit recommendations and areas for improvement that will support on-going improvements to the Council's system of risk management.

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <i>*taking into account controls/control actions</i>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	A lack of appropriate scrutiny can risk the achievement of strategic objectives.	Proposed revisions to the Scheme of Governance.	L	Yes
Compliance	None.	N/A	L	Yes
Operational	A lack of appropriate scrutiny can lead to operational failures.	Proposed revisions to the Scheme of Governance.	L	Yes
Financial	Operational failures and non-achievement of strategic objectives carries financial risk.	Proposed revisions to the Scheme of Governance.	L	Yes
Reputational	Reputational risks resulting from non-compliance which can follow on from a lack of appropriate scrutiny.	Proposed revisions to the Scheme of Governance.	L	Yes
Environment / Climate	None	N/A	N/A	N/A

8. OUTCOMES

- 8.1 The proposals within this report have no direct impact on the Council Delivery Plan however, control failures could impact on the delivery of organisational outcomes.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	It is confirmed by the Interim Chief Officer – Governance (Legal) that no Integrated Impact Assessment is required.
Data Protection Impact Assessment	Not required.
Other	Not applicable

10. BACKGROUND PAPERS

10.1 None.

11. APPENDICES

11.1 None.

12. REPORT AUTHOR CONTACT DETAILS

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