

MEETING	FULL COUNCIL
DATE	23 June 2022
TITLE	Reviewing the Role of Scrutiny as a result of Changes to the Governance and Audit Committee Report on Amendments to the Constitution following the Appointment of the Cabinet
PURPOSE OF THE REPORT	1. To seek approval to amend the scrutiny arrangements for corporate matters 2. To accept the information on amendments to the Cabinet
AUTHOR	Iwan Evans, Monitoring Officer, in consultation with the Head of Democracy Services and the Scrutiny Forum

1. Following a scrutiny review in 2019, the role of scrutinising corporate matters was given to the Audit and Governance Committee. Namely, to review and scrutinise matters relating to the Council's internal operation, i.e. corporate strategies, partnerships, engagements, business transformation, efficiency arrangements and the workforce and functions carried out by the Finance Department, Corporate Support Department and Leadership Team.
2. Following the introduction of the Local Government and Elections (Wales) Act 2021, the committee's name has been changed to the Governance and Audit Committee, with a change in membership coming into force in May 2022, as well as additional functions given to the Committee.
3. The membership of the Committee will include 6 lay members, with a requirement to appoint a Chair from among the lay members. In accordance with Part 6 of the Act, there will be a specific role regarding the new performance management arrangements and the Committee will have an overview function of the complaints arrangements.
4. See attached, as Appendix 1 to the report, Section 13, Part 1 of the Constitution, which notes the functions of the Governance and Audit Committee.
5. The latest changes have changed the constitution and the functions of the Governance and Audit Committee, giving specific functions regarding the arrangements for assessing performance and complaints. This element also includes keeping an overview of the Council's Scrutiny arrangements.
6. The Position Statement of the *Chartered Institute of Public Finance and Accountancy* (CIPFA): Of Audit Committees in Local Authorities and the Police 2018, notes that an Audit Committee in local authorities, must be independent

of the executive and the scrutiny functions. Local authorities in Wales are expected to pay attention to this announcement.

7. The Welsh Government published draft statutory guidance on 17 March 2022, which includes guidance and instructions for Governance and Audit Committees. In terms of reviewing the authority's financial matters, the guidance notes:

"Local authorities should make their own arrangements, in their constitution, to provide for clear demarcation between the role of the governance and audit committee and that of a relevant scrutiny committee. The governance and audit committee role should be more to seek assurance that the budgetary control systems (as an internal control) of the council are working, rather than the actual scrutiny of spend. This may serve as acceptable demarcation between the role of the governance and audit committee and that of an overview and scrutiny committee."

8. When considering the above factors, in terms of the changes to the Committee's membership and chairpersonship, additional factors as a result of the Act, the *CIPFA* position statement and the Welsh Government's draft statutory guidance, the only option is to move the responsibility for the scrutiny of corporate matters to another scrutiny committee. The nature of the Governance and Audit Committee and the cross-section of membership means that it is no longer in keeping with the role and functions of the statutory Overview and Scrutiny Committee.
9. This position was submitted before the Scrutiny Forum on 31 March 2022, in an attempt to seek the views of the Chairs of the relevant Committees on the possible response. More specifically, a home for the scrutiny elements of the Council's more corporate and central services. This is deemed important considering the guidance received on the implementation of this change at the start of the Council term. The Forum acknowledged this need and from considering matters such as the nature of the functions and work balance, the Education and Economy Scrutiny Committee was deemed to offer the best home for the scrutiny of these aspects.
10. Following this discussion, the recommendation would be to transfer the scrutiny role described in the existing terms of reference to the Education and Economy Scrutiny Committee:

"to review and scrutinise matters relating to the Council's internal operation, i.e. corporate strategies, partnerships, engagements, business transformation, efficiency arrangements and the workforce and functions carried out by the Finance Department, Corporate Support Department and Leadership Team."

This is considered to be a logical amendment that will ensure that these matters fall within the Overview and Scrutiny Committees procedure in accordance with Part 2 of the Local Government Act 2000 and addresses the need to ensure that the functions of the Governance Committee reflects the

specific nature of its function across all of the Council's governance elements. These changes will not affect the specific responsibilities of the Governance and Audit Committee in respect of governance, performance or finance.

Decision sought:

- 1. To amend Section 13, Part 2 of the Constitution by removing the following function from the Governance and Audit Committee's terms of reference:**

"to review and scrutinise matters relating to the Council's internal operation, i.e. corporate strategies, partnerships, engagements, business transformation, efficiency arrangements and the workforce and functions carried out by the Finance Department, Corporate Support Department and Leadership Team."

- 2. To amend Part 7 of the Constitution in accordance with Appendix 1 to allocate the responsibilities noted to the Education and Economy Scrutiny Committee.**
- 3. To accept, for information, the amendments to Section 13 - Part 2 of the Constitution, Cabinet Membership and Responsibilities.**

Views of the Statutory Officers

Monitoring Officer

Report Author

Finance Officer

"No comments from the perspective of financial propriety."

Appendix 1

Committee and Membership	Role and Remit
<p>Education and Economy Scrutiny Committee 18 members</p>	<p>To scrutinise matters relating to the functions of the:</p> <ul style="list-style-type: none"> • Education Department • Economy and Community Department • GwE • North Wales Economic Ambition Board • <u>Leadership Team and Legal</u> • <u>Corporate Support Department.</u> • <u>Finance Department</u> • Public Services Board • <u>The Council's Internal Operations</u> • <u>Partnerships</u>
<p>Communities Scrutiny Committee 18 members</p>	<p>To scrutinise matters relating to the functions of the:</p> <ul style="list-style-type: none"> • Environment Department • Highways and Municipal Department • Gwynedd Consultancy • Local Development Plan • Crime and Disorder
<p>Care Scrutiny Committee 18 members</p>	<p>To scrutinise matters relating to the functions of the:</p> <ul style="list-style-type: none"> • Adults, Health and Well-being Department • Children and Supporting Families Department • Health • Housing and Property Department

Appendix 2

1. Name	2. Portfolio	3. Main Operational Fields
Councillor Dyfrig Siencyn	Leader Strategic Direction	Strategic Direction Economic Strategic Matters
Councillor Nia Jeffreys	Deputy Leader Economy Operational Issues (+ Main Cross-departmental Programmes)	Business Support, Tourism, Community Regeneration, Strategic Projects, Maritime, Leisure and Libraries, Arts and Museums
Councillor Beca Brown	Education	Education and Schools
Councillor Dafydd Meurig	Environment	Environment
Councillor Menna Jones	Corporate Support and Legal	Corporate Support, Corporate Governance and Legal Services
Councillor Dilwyn Morgan	Adults, Health and Well-being	Adults, Health and Well-being, Relationship with the Health Board, The Council's Supporting People Programme
Councillor Ioan Thomas	Finance	Finance, Information Technology
Councillor Elin Walker Jones	Children and Young People	Children and Young People Youth Service
Councillor Berwyn Parry Jones	Highways and Municipal and Gwynedd Consultancy	Highways and Municipal, Gwynedd Consultancy, Trunk Road Agent
Councillor Craig ap Iago	Housing and Property	Housing and Property