

Public Document Pack

Gareth Owens LL.B Barrister/Bargyfreithiwr
Head of Legal and Democratic Services
Pennaeth Gwasanaethau Cyfreithiol a Democraidd



To: Cllr Robin Guest (Chairman)

CS/NG

Councillors: Chris Bithell, Derek Butler,
Clive Carver, David Cox, Glenys Diskin,
Ian Dunbar, David Evans, Veronica Gay,
George Hardcastle, Joe Johnson, Rita Johnson,
Dave Mackie, Tim Newhouse, Neville Phillips,
Ian Roberts, Tony Sharps, Paul Shotton,
Nigel Steele-Mortimer, Owen Thomas and
Arnold Woolley

10 October 2013

Maureen Potter 01352 702322
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Dear Sir / Madam

A meeting of the **CONSTITUTION COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **WEDNESDAY, 16TH OCTOBER, 2013** at **2.00 PM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 1 - 8)
To confirm as a correct record the minutes of the last meeting.

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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

- 4 **AUDIT COMMITTEE TERMS OF REFERENCE** (Pages 9 - 18)
To seek Members agreement to changes to the Audit Committee Terms of Reference, Article 7 in the Council Constitution
- 5 **INTERNAL AUDIT CHARTER** (Pages 19 - 30)
To update the Internal Audit Charter contained in Part 7 of the Constitution
- 6 **THE LOCAL GOVERNMENT (DEMOCRACY) (WALES) ACT 2013** (Pages 31 - 42)
To provide the committee with a summary of the above legislation that received Royal Assent in July 2013.
- 7 **LOCAL GOVERNMENT (WALES) MEASURE 2011 CONSULTATION DOCUMENT DESIGNATED PERSONS ORDER'**. (Pages 43 - 54)
To consult the Committee on the proposals for Section 59
- 8 **CONSULTATION BY THE INDEPENDENT REMUNERATION PANEL FOR WALES (IRPW)** (Pages 55 - 60)
To determine the Council's response to consultation by the IRPW on its draft annual report for 2014.
- 9 **WALES AUDIT OFFICE SCRUTINY IMPROVEMENT STUDY** (Pages 61 - 74)
To inform the committee of the final report arising out of the Wales Audit Office Scrutiny Improvement Study and the arrangements for attending the WAO 'scrutiny event' which is the culmination of the 14 months study.

CONSTITUTION COMMITTEE **17 JULY 2013**

Minutes of the meeting of the Constitution Committee of Flintshire County Council held in County Hall, Mold, on Wednesday, 17 July 2013.

PRESENT: Councillor Robin Guest (Chairman)

Councillors: Derek Butler, David Cox, Veronica Gay, Patrick Heesom, Joe Johnson, Tim Newhouse, Neville Phillips, Nigel Steele-Mortimer, Owen Thomas and Arnold Woolley

APOLOGIES:

Councillors: Councillors Chris Bithell, Clive Carver, Ian Dunbar, George Hardcastle, and Paul Shotton

IN ATTENDANCE:

Head of Legal and Democratic Services, Democracy and Governance Manager, Member Engagement Manager, Acting Head of Procurement, Corporate Finance Manager, and Committee Officer

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. APPOINTMENT OF VICE CHAIR

The Chairman sought nominations for a Vice-Chairman for the Committee.

Councillor W.O. Thomas nominated Councillor N.R. Steele-Mortimer as Vice-Chair of the Committee. Councillor A. Woolley seconded the nomination.

Councillor D. Butler nominated that Councillor W.P. Shotton as Vice-Chair of the Committee. Councillor J.M. Johnson seconded the nomination.

Members were asked to vote on the nominations and when put to the vote Councillor N.R. Steele-Mortimer was appointed Vice-Chair of the Committee.

RESOLVED:

That Councillor N.R. Steele-Mortimer be appointed Vice-Chair of the Committee.

3. MINUTES

The minutes of the meeting of the Committee held on 24 April 2013, were submitted.

Accuracy

The Member Engagement Manager said he had not been present at the meeting and asked that the minutes be amended accordingly.

Matters arising

Page 2 The Democracy and Governance Manager advised that he had responded to the consultation on draft Supplementary Report by the Independent Remuneration Panel for Wales to reflect the view of the Committee.

Page 4 – The Democracy and Governance Manager advised that he had responded to the consultation on Family Absence for Members in accordance with the decision of the Committee.

RESOLVED:

That subject to the above the minutes be received, approved and signed by the Chairman as a correct record.

4. CONTRACT PROCEDURE RULES

The Chair welcomed and introduced Arwel Staples, Acting Head of Procurement, and invited him to introduce the report on Contract Procedure Rules.

The Acting Head of Procurement advised that the purpose of the report was to consider the revised Contract Procedure Rules (CPRs) prior to consideration and approval by County Council in September 2013. He provided background information and outlined the criteria used to update the CPRs which had been developed through collaboration by a Joint Working Group of Officers from Flintshire, Denbighshire and Conwy Councils.

Members were informed that following adoption by County Council a series of workshops would be held in each Directorate to update Officers on the new CPRs and ensure they were fully aware of their responsibilities when undertaking procurement activities.

The Acting Head of Procurement explained that the revised CPRs had been considered at a meeting of the Audit Committee which had been held prior to the meeting of the Constitution Committee. He advised that the CPRs had in general been fully endorsed by the Audit Committee and provided feedback on the queries and concerns raised during the meeting.

The Acting Head of Procurement said a summary of the key amendments between the revised and the current CPRs were attached to the report. He advised that the revised CPRs would ensure a consistent and compliant approach was adopted for all procurement activity across the Council.

The Chairman invited Members to raise questions.

Councillor W.O. Thomas raised concern around bad workmanship and asked what safeguards were in place to protect the Authority and residents from poor performance by contractors. The Acting Head of Procurement referred to the revised CPRs for contract management and contract performance which had

been strengthened. He said there was a facility in the process to send a questionnaire to a number of stakeholders, internal and external, to enable them to express their views on performance. Feedback would be collated and action taken against contractors which gave particular or persistent poor performance.

Councillor A. Woolley asked how Members could gain access to information about the performance of contractors. The Acting Head of Procurement suggested that interested parties could be given access to the system to view complaints made against a contractor to determine the performance prior to authorisation of work.

Councillor V. Gay reiterated the concerns raised by Councillor Thomas and emphasised the need for robust quality assurance to ensure work was completed to the standard expected by the Authority before being signed off and payment authorised. The Acting Head of Procurement acknowledged the points made and explained that the new CPRs were more robust than the existing measures. If contract management was not being undertaken officers would be responsible for non compliance with procedural rules. He commented that contract management had to be applied rigorously and the system generated reminders to officers that they needed to undertake specific tasks in relation to CPRs.

Councillor Gay referred to page 54, paragraph 39.3, of the proposed new Contract Procedure Rules, and suggested that the word "should" be changed to "will".

Councillor P.G Heesom referred to the Medium Term Financial Plan (MTFP) and the need for justifying expenditure particularly concerning purchasing need and procurement planning. He commented on the need for the new CPRs to link in with the MTFP. Councillor Heesom thanked the Acting Head of Procurement for his presentation on CPRs to the Audit Committee and suggested it would be helpful if it was made available to all Members in due course. The Acting Head of Procurement referred to a workshop which had been held recently for Members and suggested that following adoption of the CPRs by County Council in September a further workshop be arranged.

The Chairman expressed his thanks to the Acting Head of Procurement for the substantial work undertaken to update the CPRs.

RESOLVED:

- (a) That the Committee endorse the revised CPRs for adoption by County Council subject to the above change in paragraph 39.3; and
- (b) That the Council's Constitution be updated with the revised CPRs once approved by County Council.

5. REVIEW OF FINANCIAL PROCEDURE RULES

The Chairman introduced Gary Ferguson, Corporate Finance Manager, and invited him to present the report.

The Corporate Finance Manager introduced a report on the proposed updated Financial Procedure Rules (FPR's) for comment and endorsement prior to approval at County Council in September 2013. He provided background information and gave an overview of the recommended changes to the existing rules which were detailed in the report.

The Corporate Finance Manager advised that the Audit Committee had endorsed the amendments to the FPRs at a meeting held prior to the meeting of the Constitution Committee. He said Members had welcomed the clarity and strengthening of roles and responsibilities in relation to budget monitoring and management and were keen to ensure that there would be adequate training provided and that there was sufficient capacity to deliver it. He said he had given an assurance that this would begin following approval by County Council. The Audit Committee had suggested that some of the relevant strengthened elements on budget monitoring should be reported to the Corporate Resources Overview and Scrutiny Committee. It had been agreed that an update on the links to the review work done on the outturn report would be provided in the month 3 report.

The Chairman expressed his thanks to the Corporate Finance Manager on behalf of the Committee, for the substantial work undertaken to update the FPRs. He invited Members to raise questions on the updated FPRs which were appended to the report.

Councillor D. Butler commented that asset management should include acquisition as well as disposal. The Corporate Finance Manager agreed this was a key element which would be incorporated in the next stage of the review.

RESOLVED:

- (a) That the updated Financial Procedure Rules be endorsed and recommended to County Council for approval; and
- (b) That following approval at County Council the Council's Constitution be updated to reflect the changes.

6. UPDATING THE CONSTITUTION

The Democracy and Governance Manager introduced the report to consider further updating changes to the Council's Constitution pursuant to the 3 year programme agreed at the meeting of the Committee held on 24 July 2012. He provided background information and referred to the six areas in the programme to be reviewed this year. He referred to the guiding principles undertaken to update the Council's Constitution and explained that he had undertaken a review of the Access to Information Procedure Rules and Protocol for Members in their dealings with Contractors/Developers. The proposed changes and reasons for them were attached to the report for Members' consideration.

During discussion Officers responded to the queries and observations raised by Members around the Protocol and provisions under the Planning Code of Conduct and Procedure Rules. The Head of Legal and Democratic Services provided clarification around the matter of localism and non-commercial considerations.

Members agreed to the proposed changes, as appended to the report, to the Access to Information Procedure Rules and the Protocol for Members in their dealings with Contractors/Developers. It was also agreed that paragraph 3.2 of the Protocol be updated to reflect the wording of paragraph 3.2 of the revised Contract Procedure Rules.

RESOLVED:

- (a) That the proposed changes to the Access to Information Procedure Rules and the Protocol for Members in their dealings with Contractors/Developers be agreed; and
- (b) That paragraph 3.2 of the Protocol be updated to reflect paragraph 3.2 of the revised Contract Procedure Rules.

7. CONSULTATION ON REMOTE ATTENDANCE AT COUNCIL MEETINGS

The Democracy and Governance Manager introduced the report to determine the responses to consultation by the Welsh Government on remote attendance at Council meetings. He provided background information and stated that the intention was to make it easier for Councillors who may have to travel long distances, have domestic responsibilities, or were in employment.

The Democracy and Governance Manager advised that in April 2013 the Welsh Government had issued draft guidance on remote attendance for consultation purposes and responses were required by 21 August 2013. Attached to the report was a draft response to the consultation for Members' consideration. The Democracy and Governance Manager explained that there was a typographical error in paragraph 4 of the draft response and the word "response" should read "resource".

The Head of Legal and Democratic Services provided brief feedback on the general views expressed by other local authorities across North Wales. It seemed that some local discretion should be allowed to enable local authorities to make their own arrangements to suit their own requirements as far as remote attendance was concerned.

Councillor A. Woolley expressed a number of concerns around the initiative and referred to the financial and resource implications.

Councillor W.O. Thomas commented on the need for financial restraint in the current economic climate and said the timing was inappropriate.

Councillor P.G. Heesom reiterated the sentiments expressed by Councillor Thomas and suggested that a letter be sent to the Welsh Government to outline that view on behalf of the Committee.

The Democracy and Governance Manager explained that he had previously written to the Welsh Government on the matter. He suggested that it may be more constructive to send a detailed response to the consultation and also refer to the local circumstances.

In summary the Chair suggested that the draft response be expanded to indicate that the initiative was unworkable for Flintshire, and that the Welsh Government be asked to allow wider local choice as to implementation in the final version of the guidance.

RESOLVED:

- (a) That the draft response to the consultation as detailed in the appendix to the report be expanded to indicate that the draft guidance made the initiative unworkable for Flintshire; and
- (b) That the Welsh Government be asked to allow wider local choice as to implementation in the final version of the guidance.

8. WALES AUDIT OFFICE PEER REVIEW AND SELF EVALUATION

The Member Engagement Manager introduced the report to inform of the results of the Wales Audit Office Scrutiny Improvement Study self-evaluation of overview and scrutiny arrangements and provide feedback from the peer review by the Wrexham Peer Review team of Overview and Scrutiny arrangements in Flintshire.

The Member Engagement Manager provided background information and referred to the work and development activities of the Flintshire Peer Learning Evaluation Team (PLET) and the Wrexham PLET. He explained that the self-evaluation and peer review process had enabled the Authority to reflect on its overview and scrutiny arrangements. A draft action plan was attached to the report which aimed to improve on the current good practice within Overview and Scrutiny in Flintshire.

The Member Engagement Manager highlighted the key strengths and areas for development which had been identified by the Wrexham PLET following their visit to undertake a peer review of Flintshire.

Councillor A. Woolley referred to the observation by the Wrexham PLET that there was restricted space for public attendance. He suggested that the spare tables in the Delyn Committee Room be removed to make more space in the public gallery.

Councillor N. Steele-Mortimer commented on the need for more training required on the scrutiny role and suggested that in certain cases training should be made compulsory. He supported the recommendation in the Action Plan that

reports to Cabinet include a section to ensure scrutiny comments are accurately reflected.

The Member Engagement Manager stated that he was not in favour in general of compulsory training for Members as it was not conducive to learning and development. He said he would prefer Group Leaders to encourage Members to attend the relevant training session. It was suggested during discussion that it may be helpful if a short training session could be held prior to the start of a meeting and cited the training sessions held prior to meetings of the Standards Committee as an example of good practice. It was agreed that the Member Engagement Manager would discuss the suggestions raised with the appropriate Group Leaders and Chairmen of Committees.

RESOLVED:

- (a) That the Committee agreed the actions as detailed in the Action Plan attached to the report;
- (b) That a further report on the implementation of the proposed actions be submitted to a future meeting of the Constitution Committee; and
- (c) That the Member Engagement Manager discusses the suggestions raised with the appropriate Group Leaders and Chairmen of Committees.

9. OVERVIEW & SCRUTINY ANNUAL REPORT

The Member Engagement Manager introduced the report and invited the Committee to consider the draft Overview and Scrutiny Annual Report for the 2012/13 municipal year which was appended to the report and make observations or amendments as appropriate. He advised that the final version of the Annual Report would be forwarded to County Council for approval.

RESOLVED:

That the Annual Report be agreed and forwarded to Council.

10. PRESS IN ATTENDANCE

There were no members of the press in attendance.

11. DURATION OF MEETING

The meeting commenced at 2.00 pm and finished at 3.32 pm.

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Chairman

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 16 OCTOBER 2013**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **AUDIT COMMITTEE TERMS OF REFERENCE**

1.00 PURPOSE OF REPORT

1.01 To seek member's agreement to changes to the Audit Committee Terms of Reference contained in Article 7 in the Council Constitution.

2.00 BACKGROUND

2.01 It is good practice to consider the Terms of Reference of the committee on a regular basis.

2.02 The Role of the Audit Committee was updated last year to take into account the changes introduced by the Local Government Measure. The 4 parts of the role were listed as A, B, C and D. However, at that time the remainder of the Terms of Reference were not reviewed.

2.03 The last review took place some years ago. During that time the areas of responsibility of the committee have widened considerably. The changes outlined below reflect current practice rather than expanding the areas of responsibility further.

2.04 A full review has now taken place and the proposed new wording is shown in Appendix A. The changes from the current wording were agreed at the Audit Committee meeting on 30th July 2013, with minor amendments which have been incorporated in Appendix A.

3.00 CONSIDERATIONS

3.01 The main changes are:-

- The headings have changed to correspond with the 4 parts of the role, listed A, B, C and D
- The role of the committee is clarified in terms of financial affairs.
- The work of the committee is specified for risk management, corporate governance, treasury management and collaborations.

- The review of the Anti Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy is included.
- Reports from other regulatory bodies are included.
- Approval of the Internal Audit Charter, the receipt of the Annual Report and the monitoring of performance indicators is included
- A strengthening of reporting on the implementation of audit recommendations.
- From the Local Government Measure, the ability of the committee to require the presence of a member or officer (previously 'request').
- The frequency of meetings as laid down by the Local Government Measure – at least once a year, but as many as the committee wants.
- The training requirements for the committee.
- The need for the committee to act apolitically is stated.

3.03 The committee is asked to consider the proposed changes to the Audit Committee Terms of Reference, as agreed by the Audit Committee. Article 7 currently states that “The Audit Committee will keep the above terms of reference under annual review and propose any amendment to the County Council”. It is suggested that these words should be deleted so that in future years the annual review does not automatically have to be referred to County Council. Article 19.2 enables minor or consequential changes to be made by the Head of Legal and Democratic Services following consultation with the chair of the committee and group leaders if none of them require the matter to be considered by Council.

4.00 RECOMMENDATIONS

4.01 The committee is requested to consider and approve the changes agreed by the Audit Committee.

4.02 The committee is requested to agree to the removal of the sentence in Article Seven which refers to changes being referred to the County Council.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a direct result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a direct result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a direct result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a direct result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a direct result of this report.

10.00 CONSULTATION REQUIRED

10.01 Audit Chair and Vice Chair, WAO, Chief Executive, Head of Finance, Head of Legal and Democratic Services, Democracy and Governance Manager.

11.00 CONSULTATION UNDERTAKEN

11.01 Audit Chair and Vice Chair, WAO, Chief Executive, Head of Finance, Head of Legal and Democratic Services, Democracy and Governance Manager.

12.00 APPENDICES

12.01 Draft Terms of Reference for the Audit Committee.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Local Government Measure 2011 and Guidance to the Measure.

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Article 7 - The Audit Committee

7.01 Role

The Audit Committee's role and functions will be to:

- A. Review the effectiveness of the Authority's systems of corporate governance, internal control and risk management systems, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements;
- B. Oversee the reporting of the statutory financial statements process to ensure the balance, transparency and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council;
- C. Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
- D. Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.

A. **Corporate Governance, Internal Control and Risk Management**

- Evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal control and risk management.
- Consider and assure the annual update of the Code of Corporate Governance
- Consider and assure the annual draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council's Regulators.
- Evaluate the overall effectiveness of the internal control and risk management frameworks and consider whether recommendations made by the internal and external auditors have been implemented by management.
- Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.

- Keep under review the Council's Anti Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy
- Receive reports on all fraud identified and any other special investigations, and action taken.
- Consider how management is held to account for the security of computer systems and applications to protect against computer fraud or misuse.
- Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
- Obtain regular updates from management and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.

B. Statutory Financial Statements

- Receive the draft annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final statement of accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.
- Understand the controls and processes implemented by management to ensure the financial statements derive from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate management review.
- Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
- Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the external auditor.

C. Internal and External Audit

- Keep under review the joint working arrangements of the Council's internal and external auditors.

Internal Audit

- Promote the role of internal audit within the Council, as a key element of its control environment.
- Review and approve the Internal Audit Charter outlining the role, scope, independence, authority, responsibility and reporting of the department
- Keep under review the organisational structure and resource requirements of the Internal Audit Section.
- Ensure that no management restrictions are placed in the scope of audit's examinations.
- Review, approve (but not direct) and monitor the delivery of the internal audit plan and the risk assessment exercise on which the plan is based, and ensure it considers changes arising from Government, Assembly or Council initiatives.
- Receive summaries of all internal audit reports issued, highlighting key recommendations and recommendations of reports with corporate control implications.
- Monitor the implementation of agreed recommendations contained within internal audit reports, receive reports on recommendations not implemented within agreed timescales and seek explanations from officers where required.
- Receive the Internal Audit annual report and ensure that the annual opinion is reflected in the Annual Governance Statement.
- Keep performance indicators under review and evaluate on an annual basis the performance and effectiveness of internal audit and its compliance with best practice.
- Meet separately with the Internal Audit Manager to discuss any matters that the committee or internal auditors believe should be discussed privately.
- Arbitrate in the event of any failure to agree between a Director or Head of Service and internal audit.
- Discuss with the external auditor the standard of work of internal audit staff.

External Audit

- Ensure that the annual audit is undertaken in compliance with statutory requirements.

- Review the external auditors' proposed audit scope and approach for the current year in the light of the Authority's present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.
- Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
- Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
- Receive reports from other regulatory bodies and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the audit committee when required.
- Review on an annual basis the performance of external audit and co-ordinate any feed back requested from the Wales Audit Office.

D. Financial Affairs

- Understand the internal control systems implemented by management for the approval of transactions and the recording and processing of financial data.
- Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
- Keep under review the Council's financial procedure rules and contract procedure rules and all other corporate directions concerning financial control.
- Review and assure the Treasury Management Strategy and Policy and consider quarterly updates on Treasury Management and make appropriate recommendations / observations to the Cabinet.

E. General

- Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above terms of reference.

- Evaluate the committee's own performance, both of individual members and collectively, on a regular basis.
- The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the committee's members require a meeting. Beyond those requirements the committee can meet whenever it likes.

The Audit committee will keep the above terms of reference under annual review and propose any amendment to the County council.

7.02 Form and Composition

The Chair and Vice-Chair of the Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the Audit Committee will be chosen from amongst the opposition group(s), non aligned Councillors or lay member on the Council (that is to say from amongst the group(s) none of whose members are included in the Cabinet). The County Council shall appoint one person who is neither a serving Councillor nor an officer of the County Council or any other Council to serve as a lay member of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual general meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.

It is the express wish of the Council that there should be continuity of membership of the Audit Committee so as to build up a body of expertise and maintain a consistency of approach.

In recognising the express wish of the Council, but observing the requirements of the legislation for political balance, the Audit Committee will comprise seven Members with the seats allocated in accordance with the legislation to the appropriate political groups and one lay member. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the Audit Committee at the commencement of its meeting agrees that good reasons exist for substitution.

Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.

The business of the Committee shall be conducted apolitically

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 16 OCTOBER 2013**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **INTERNAL AUDIT CHARTER**

1.00 PURPOSE OF REPORT

1.01 To update the Internal Audit Charter contained in Part 7 of the constitution.

2.00 BACKGROUND

2.01 The Internal Audit department has had a charter since 2002. It was last updated in 2011 and presented to the Audit Committee at that time. The charter formalises the status, independence and responsibility of the department and is part of the Constitution.

2.02 New Public Sector Internal Audit Standards (PSIAS) were published in April 2013, replacing the CIPFA Code of Practice for Internal Audit in Local Government. The new standards must be followed by all internal audit departments in local government. They include new requirements for the content of an audit charter. The Flintshire charter has therefore been updated to allow for these changes.

Most of the changes simply reflect current and long established practice, but have not previously been written into the charter.

2.03 The Charter was agreed at the Audit Committee meeting on 30th July 2013 with some minor amendments which have now been incorporated. Subsequent to the meeting the Chair of Audit requested another minor change which has resulted in a sentence being added to the Charter. This is within the Audit Reporting section of the Charter and is shown in bold italics in the attached appendix. It reflects current practice.

3.00 CONSIDERATIONS

3.01 The PSIAS require that the role, scope, independence, authority and responsibility of the Internal Audit department be formally defined in a charter. Within Flintshire County Council that is achieved by the audit charter being approved by the Audit Committee and appearing within the constitution.

3.02 The proposed new charter is attached, Appendix A.

The main changes include:

- Reference to the PSIAS and Code of Ethics
- A change in wording to the definition of internal audit
- The inclusion of responsibility for auditing partnerships and collaborations
- The areas of responsibility of the Audit Committee and the line management of the IA Manager

3.03 The committee is asked to consider the proposed changes to the Internal Audit Charter, as agreed by the Audit Committee. Once the committee has agreed the revised version of this part of the Constitution, the Chair and the political Group Leaders will be consulted. If there are no objections the Constitution will then be updated to reflect what the committee has agreed. If there is any objection there will be a report to the County Council.

4.00 RECOMMENDATIONS

4.01 The Committee is requested to consider and approve the updated Internal Audit Charter as agreed by the Audit Committee and with the additional sentence added at the request of the Chair of Audit.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Internal Audit Charter Appendix A

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

PSIAS
CIPFA Application Note

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INTERNAL AUDIT CHARTER

Introduction

Internal Audit is a statutory independent review function, covered by the Accounts and Audit Regulations 2005 (Wales). It is set up within the Finance Division as a service to the Council and all levels of management. It supports the Head of Finance, the “responsible officer” (Section 151 officer under the Local Government Act 1972), in meeting her statutory responsibilities for the proper administration of financial affairs.

Public Sector Internal Audit Standards (PSIAS) published in 2013 define the activity and standards that must be met. They are mandatory for all internal audit departments in the UK public sector.

They include a Code of Ethics which Internal Auditors must conform to, covering integrity, objectivity, confidentiality and competency.

The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

Definition of Internal Audit

The PSIAS state that ‘Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

It may also undertake consulting services at the request of the organisation, subject to there being no impact on the core assurance work and the availability of skills and resources.

Role and Scope of Internal Audit

The role of Internal Audit is to provide the Authority, through the Audit Committee with an independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements. The department

reviews, appraises and reports on:

- The adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the business risks to be addressed;
- The extent of compliance with and relevance of, policies, standards, plans and procedures established by the County Council and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;
- The extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause, and that adequate business continuity plans exist;
- The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, clarify and report such information;
- The integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic goals;
- The follow-up action taken to remedy weaknesses identified by Internal Audit review, ensuring that good practice is identified and communicated widely;
- The operation of the Council's corporate governance arrangements;
- The potential within the Council for fraud and other violations through the analysis of systems of control in high-risk operations.

The Internal Audit department completes advisory / consultancy work in agreement with Directors, Heads of Service and Senior Managers by responding to requests for audit reviews and by contributing to projects and working groups throughout the Authority.

Where the Authority has entered into a partnership with other organisations the partnership arrangement will be subject to review. In addition, where Flintshire County Council is the lead authority of a partnership or collaboration, the work undertaken will be subject to review by Flintshire Internal Audit.

All managers are responsible for applying controls to reasonably prevent and detect fraud. Furthermore, internal audit is not responsible for identifying fraud, however it will assess the risk of fraud and be aware of the risk of fraud when planning and undertaking any internal audit work. All actual or suspected incidents of fraud,

corruption or impropriety should be reported without delay to Internal Audit in accordance with Financial Procedure Rules (ref 11.17e). The internal audit department investigates fraud and irregularity in terms of:

- The undertaking of investigations into reports of violations of the Council's regulations or criminal activities i.e. fraud against the Council
- The undertaking of investigations of reports from staff, other persons engaged in activities on behalf of the Council and members of the public, reporting perceived cases of possible violations of rules or regulations, mismanagement, misconduct, or fraudulent abuse of authority.

Referrals to the police are made if there is suspected criminal activity, in accordance with the Corporate Anti-Fraud and Corruption Strategy and the Fraud and Irregularity Response Plan, following consultation with the Monitoring Officer or Human Resources where appropriate.

The investigation of Housing and Council Tax Benefit fraud is undertaken by the Benefits Fraud Team, however Internal Audit will overview these procedures.

Where it is thought necessary, External Audit may conduct investigations, either in liaison with Internal Audit or independently.

Independence and Authority

Internal Audit is independent of the activities that it audits to ensure the unbiased judgements essential to its proper conduct and impartial advice to management.

To ensure independence, Internal Audit operates within a framework that gives it the authority to:

- have unrestricted access to all activities undertaken in the Council.
- have unrestricted access to all functions, records and property, including those of partner organisations. In very exceptional circumstances if the "responsible officer" (Section 151 Officer) and Monitoring Officer believe this would constitute a breach of the laws of confidentiality, or the provisions of the Human Rights Act or the Data Protection Act the matter will be referred to the Audit Committee for consideration.
- have full and free access to the Audit Committee via the Internal Audit Manager, and an annual private meeting with the committee;
- have full and free access to the Chief Executive, Head of Finance, Monitoring Officer, Chair and Vice Chair of the Audit Committee and External Auditors via the Internal Audit Manager;
- have unrestricted access to senior management, members and all employees;

- receive any information and explanation considered necessary concerning any matter under consideration from all Members and Officers;
- require any employee of the Council to produce or account for cash, stores or any other Council asset or asset of a third party under his or her control;
- allocate resources, set timeframes, define review areas, develop ,scopes of work and apply techniques to accomplish the overall audit objectives;
- issue audit reports in its own name.

The Internal Audit department is part of the Finance Division within Corporate Services. The Internal Audit Manager reports to the Head of Finance and through her to the Corporate Management Team.

He also reports to the Audit Committee, which is responsible for

- approving the internal audit charter
- approving the internal audit Strategic and Operational plans
- receiving reports from the Internal Audit Manager on the departments performance relative to its plan and other matters
- making appropriate enquiries of management and the Internal Audit Manager to determine whether there are inappropriate scope or resource limitations

The department's budget is approved annually as part of the Council's overall budget. Remuneration and arrangements for the appointment and removal of the Internal Audit Manager are managed in accordance with the Council's adopted HR policies.

Every effort is made to preserve objectivity by ensuring that all members of internal audit staff are free from any conflicts of interest and do not undertake any non-audit duties. Internal Audit has complete segregation from Council operations and is not responsible for the management of areas that are audited. The Internal Audit Manager and internal audit staff are not authorised to:

- perform any operational duties associated with the Authority;
- initiate or approve accounting transactions on behalf of the Authority
- direct the activities of any employee unless specifically seconded to Internal Audit

Audit Responsibility

The primary task of Internal Audit is to review the systems of internal control operating throughout the authority, and in doing this it will adopt a predominantly risk-based approach to audit.

The Internal Audit Manager is required to manage the provision of a complete audit service to the Council that will include systems, regularity, computer and advisory audit in addition to the investigation of potential fraud and irregularity. In discharge of this duty, the Internal Audit Manager has a responsibility to:

- prepare a rolling strategic risk-based audit plan in consultation with Directorate senior management and the Corporate Management Team, for formal approval by the Audit Committee. This strategic plan is regarded as flexible rather than as an immutable expression of audit policy;
- translate the strategic plan into annual plans for formal agreement with the Head of Finance, Corporate Management Team and Audit Committee;
- implement the audit plan as approved, including any additional work requested by management and the Audit Committee;
- ensure that the scopes of individual audit assignments are agreed with departmental management;
- prepare and maintain an Audit Manual detailing departmental procedures and standards;
- ensure a system of close supervision of audit work, and maintain a Quality Assurance and Improvement Programme of internal and external assessments;
- maintain knowledge, skills and expertise within the section specifically for the investigation of fraud and irregularity;
- bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes;
- highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe;
- undertake follow up reviews and recommendation tracking to ensure management has implemented agreed internal control improvements within specified and agreed timeframes;
- liaise with the external auditor for the purpose of providing optimal audit coverage to the Authority;
- work with the external auditor to provide consistent advice to management and the Audit Committee;

- prepare, for agreement with the Head of Finance, annual reports on audit and special investigation activities for presentation to the Audit Committee, and such other reports on audit issues as may be required by the Head of Finance or the Audit Committee.

All audit work contributes to the overall review of effectiveness of the control environment. The Internal Audit Manager is also a member of the Corporate Governance Working Group which undertakes this review and prepares the draft Annual Governance Statement for consideration by the Audit Committee and Council.

All Internal Audit activity is carried out in accordance with Financial Procedure Rules and PSIAS requirements. In order to maintain an audit presence and sound, informal lines of communication, as much audit work as possible will be done on location. Internal Audit testing may go beyond the records and involve observations and interviews.

Audit Resources

The staffing structure of the section will comprise qualified Internal Auditors, Accountants and Accounting Technicians with a mix of professional specialisms to reflect the varied functions of the section.

Internal Audit will not participate in the day-to-day operation of any systems of internal financial control. However, in strict emergency situations only, audit personnel may be called upon to carry out non-audit work on a temporary basis.

Upon request from the Head of Finance, appropriate specialists from other Directorates and departments should be made available to take part in any audit review requiring specialist knowledge.

Audit Training

The Internal Audit Manager carries out a continuous review of the development and training needs of all audit personnel through the Authority's appraisal system and will arrange, within budget provision, in-service training covering both internal and external courses.

Specific resources are devoted to specialised training in relation to computer audit, contract audit and fraud investigation to keep abreast of developments.

Audit Reporting

All audit assignments are the subject of formal reports. Debrief meetings are held with the managers responsible for the area under review for agreement to the factual accuracy of findings. After agreement, draft reports are issued to the manager and director of the department under review. Once the recommendations and action points have been agreed, final reports are issued. The Internal Audit Manager considers the release of special investigations audit reports for disciplinary purposes on a case-by-case basis. Access to audit files is restricted to the Head of Finance and External Auditor, and the Monitoring Officer where it is within his remit.

The Internal Audit Manager issues progress reports to the Audit Committee and management summarising outcomes of audit activities, including follow up reviews and the tracking of audit recommendations. These are presented at every Audit Committee meeting.

He reports to the Committee on the progress of investigations into possible fraud and irregularity and also briefs the Audit Chair on any high profile investigations.

The assignment opinions that audit provides during the year are part of the framework of assurances that assist the Authority to prepare an informed Annual Governance Statement.

Internal Audit provides the Head of Finance with an opinion on the adequacy and effectiveness of the Authority's governance, risk management and control arrangements. In giving the opinion it should be noted that assurance can never be absolute, the most that can be provided is a reasonable assurance that there are no major weaknesses in governance, risk management and control processes. The annual opinion is provided in the Annual Report after the year end.

Performance Reporting

Performance Indicators for Internal Audit are reported to each Audit Committee meeting and to the Head of Finance.

The department participates in benchmarking within the Wales Chief Auditors Group. Results are reported to the Audit Committee.

Related Documents

This document is one of a series that, together, constitute the policies of the Council

in relation to anti-fraud and corruption measures. The other documents are:

- Financial Procedure Rules and Contract Procedure Rules;
- Anti Fraud and Corruption Strategy;
- Fraud and Irregularity Response Plan;
- Whistle-blowing Policy;
- Disciplinary Procedure

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 16 OCTOBER 2013**

REPORT BY: **DEMOCRACY & GOVERNANCE MANAGER**

SUBJECT: **THE LOCAL GOVERNMENT (DEMOCRACY)**
 (WALES) ACT 2013

1.00 PURPOSE OF REPORT

- 1.01 To provide the committee with a summary of the above legislation that received Royal Assent in July 2013.

2.00 BACKGROUND

- 2.01 Consultation on the Local Government (Democracy) (Wales) Bill was considered by the committee at its meeting on the 30 January 2013. Attached as appendix 1 is the response the Council sent to consultation following that meeting. The Bill completed its Parliamentary passage and received Royal Assent in July 2013. The various provisions in it come into effect on different dates with many of the provisions coming into effect on the 1 October 2013. Attached as appendix 2 are the various parts of the Act, together with the dates they take legal effect where this has been decided.

3.00 CONSIDERATIONS

- 3.01 As can be seen from appendix 2 most of the provisions in the Act relate to the renamed Local Democracy & Boundary Commission for Wales and the conduct of reviews by either the Commission or by County Councils. The Council's response to consultation on these provisions was favourable (see answers to questions 1 to 5 of appendix 1). Flintshire's current community review is unaffected as it commenced before the Act received Royal Assent. Flintshire's review has in any case taken into account the provisions in the Act.
- 3.02 Part 5 of the Act is the Part that most directly affects the County Council and the sections in this Part are considered in more detail below.
- 3.03 Section 51 came into effect on the 1 October 2013. It enables Flintshire and other County Councils to have, if they so wish, a 'Presiding Member' and a 'Deputy Presiding Member'. The function of the Presiding Member is to include any function of the Chairman of the County Council in relation to its meetings and proceedings. Where County Councils decide to have a Presiding Member their Chairman is referred to as Civic Chair and retains

the other duties of the Council Chairman. Despite the response given to question 9 when consulted on the Bill there still seems to be the problem that the Presiding Member's office ends when there is an ordinary Council election so the first annual meeting following an ordinary election could not be conducted by the Presiding Member.

- 3.04 Sections 52 to 54 came into effect on the 1 October 2013 and relate to promoting or opposing private Bills in Parliament or in the Assembly. A local authority may only promote or oppose a private Bill where firstly, there has been at least 10 days notice in a local newspaper and secondly, the majority of Council members have agreed such a resolution.
- 3.05 Sections 55 to 57 deal with Community Council websites and the information required to be on them, together with requiring notice of their meetings electronically. The implementation date of these provisions has not yet been fixed.
- 3.06 Section 58 concerns registers of Members interests and again the date when this comes into effect has not yet been determined. It requires that registers of Members interests are published electronically. This applies not only to the County Council but also Town & Community Councils. There is also an obligation to publicise in a local newspaper the existence of the electronic register. Interestingly for Community Councils the Act places the responsibility for compliance on the Clerk rather than on the County Council's Monitoring Officer.
- 3.07 Sections 59 to 62 came into effect on the 1 October 2013. Section 59 concerns remote attendance at meetings of principal Councils and makes amendments to Section 4 of the 2011 Measure. Firstly, it lowers the statutory minimum number who must actually (rather than remotely) attend to not less than 30%. Councils can choose not to permit remote attendance or to have a higher percentage than 30% being in actual attendance in order for meetings to be quorate. There is therefore no need to change our current wording based on the 50% in the 2011 Measure. Secondly, the Act repeals the part of the 2011 Measure which prevented co-opted members attending meetings remotely where authorities have such remote attendance arrangements in place.
- 3.08 Section 60 also came into effect on the 1 October 2013 and amends the provision in the 2011 Measure relating to Democratic Services Committees. Democratic Services Committees are now enabled so that they can review 'at the request of the authority' any matter relevant to:-
- a) The support and advice available to members of that authority; and
 - b) The terms and conditions of office of those members.

This seems to be a late amendment made to the Bill as in June the intention was to remove the restriction in the 2011 Measure which limited the functions of a Democratic Services Committee. Instead this section has been enacted and contains some odd wording, particularly in paragraph (b).

In Flintshire it prevents the option of combining the Democratic Services Committee with the Constitution Committee as the functions of the Democratic Services Committee remain limited.

- 3.09 Section 61 came into effect on the 1 October 2013 and amends the provisions in the Measure relating to Audit Committees. Section 61 expressly provides that Audit Committees are subject to the political balance provisions of the 1989 Local Government & Housing Act. As the Council indicated in its answer to question 6 of the consultation it is not believed there was a need for this amendment as the 2011 Measure did not dis-apply the requirement for political balance contained in the 1989 Act. Flintshire has always regarded the requirement for political balance to apply to the Audit Committee.
- 3.10 Section 62 came into effect on the 1 October 2013 and amends a provision in the 2011 Measure concerning the Independent Remuneration Panel. It can now specify the number of special responsibility allowance (or as it calls it senior salaries) post-holders rather than the maximum proportion of the Council that is eligible. This is a technicality and of no practical effect.
- 3.11 Section 63 relates to the salaries of Heads of Paid Service and the date for its implementation has not yet been determined. It gives power to the Independent Remuneration Panel to make recommendations about proposed changes to the salary of an authority's Head of Paid Service.
- 3.12 Sections 64 to 67 came into effect on the 1 October 2013. They make further technical changes to the provisions in the 2011 Measure relating to the Independent Remuneration Panel. Unfortunately section 67 when it comes into effect will require Flintshire and other County Councils to publish information relating to all payments made to its Members by other public bodies. As the Council explained in its answer to question 7 when consulted on the Bill this will merely confuse the public and it should be for each public body to publicise the payments it makes. Also, it is not restricted to allowances and there is no requirement for those other bodies to provide such information to Flintshire by an appropriate date as was suggested in our response to consultation.
- 3.13 Sections 68 and 69 will come into effect on a date yet to be determined. Section 68 enables County Councils to establish joint Standards Committees and in response to consultation the Council had no objection to this. Section 69 enables Monitoring Officers to make reports to the Standards Committee of another authority.

4.00 RECOMMENDATIONS

- 4.01 For committee to note the summary of the Local Government (Democracy) (Wales) Act 2013.

5.00 FINANCIAL IMPLICATIONS

The Welsh Government's cost benefit analysis of the provisions in the Act indicates that there are no anticipated additional costs for County Councils. This fails to take account of the costs of publishing in newspapers referred to in 3.04 and 3.06 above and the extra officer time required to comply with section 67 (paragraph 3.12 above).

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 Extra officer time in order to comply with section 67 (paragraph 3.12 above).

10.00 CONSULTATION REQUIRED

10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None as a result of this report.

12.00 APPENDICES

12.01 Appendix 1 – Response to Consultation
Appendix 2 – Parts of the Act

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Welsh Government explanatory memorandum of the Local Government (Democracy) (Wales) Bill dated June 2013

Contact Officer: Peter Evans
Telephone: 01352 702304
Email: peter.j.evans@flintshire.gov.uk

LOCAL GOVERNMENT (DEMOCRACY) (WALES) BILL

Your Name: Flintshire County Council

Organisation (if applicable):

Email address: peter.j.evans@flintshire.gov.uk

Telephone number: 01352 702304

Your address: Flintshire County Council, County Hall, Mold,
Flintshire, CH7 6NR

The Local Government Boundary Commission

Question 1: Is there a need for a Bill to make changes to the constitution and functions of the Local Government Boundary Commission for Wales (“the Commission”) and to make various provisions relating to local government?			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
In order to implement the proposed changes			

Question 2: Do you think the Bill will improve the delivery of the statutory roles and functions of the Commission? (paragraph 3.1 of the explanatory memorandum)			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
In order to implement some of the recommendations in the Mathias review			

Question 3: Do you think the changes being made to the Commission are appropriate? (Part 2 of the Bill)			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
It reflects the White Paper which the Council largely supported in its response to consultation on it.			

Local Government arrangements

Question 4: Do you think the provisions relating to procedures for local government reviews are appropriate? (Chapter 4 and 5)			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
The provisions are very complex and there is a need for clear guidance on them. Most importantly Flintshire, like other authorities, is keen to undertake a community review during 2013 and the Bill as drafted could lead to work on this proving abortive unless the Bill is amended so that the provisions detailing how a community review should be conducted only apply to those authorities			

who have not commenced a community review when the Bill receives Royal Assent. The Bill contains detailed provisions as to how a County Council should conduct a community review and whilst Flintshire intends to follow these detailed provisions they could change during the progress of the Bill through the parliamentary process. Any such change would result in work done on a community review being abortive and a waste of resources. In order for the Council to proceed with its intended community review without the risk of it proving abortive the Bill should be amended so that these provisions do not apply to any authorities who have commenced a community review prior to the Bill receiving Royal Assent.

Question 5: Do you think the arrangements for local government in relation to:

- Duties of the Commission
- Duties of a principal Council

are appropriate? (Chapter 1)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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The provisions are very complex and there is a need for clearer guidance on them.

Question 6: Do you think the arrangements for local government in relation to:

- Democratic Services Committees (Section 56)
- Audit Committees (Section 57)
- Standards Committees

Are appropriate?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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The Council does not believe there is a need for Section 57 as it believes political balance has always been required since the 1989 Act. As long as joint standards committees are in addition to the existing arrangements rather than a replacement for them there is no objection to this.

Independent Remuneration Panel for Wales

Question 7: Do you think the provisions relating to the Independent Remuneration Panel for Wales are appropriate? (Chapter 5, Sections 58-62)

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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It does not agree with the proposed requirement for Councils to publish information relating to all payments made to Members by other public bodies. This will merely confuse the public. It should be for each public body to publicise the payments it makes. If nevertheless there is to be such a provision it should be confined to allowances not all payments made to Members by other public bodies and those bodies must be required to provide such information by an appropriate date.

Access to information (Town and Community Councils)

Question 8: Do you think the provisions relating to improving access to information (Town and Community Councils) are appropriate?			
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
It should be left to the individual choice of the Town or Community Council			

Chairing of Principal Councils (Chairs and Mayors of Principal Councils)

Question 9: Do you think the provisions relating to the Chairing of Principal Councils (Chairs and Mayors of Principal Councils) are appropriate?			
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
The Council sees no need for this. If however it proceeds there will have to be drafting changes to the Bill so that the civic chair has the same meaning as is given to the chairman in the Local Government Act 1972. It is also believed that the presiding member's term of office should continue until their successor is appointed so that they can chair the start of the Council meeting following elections.			

General Provisions of the Bill

Question 10: What are the potential barriers to implementing the provisions of the Bill (if any) and does the Bill take account of them?			
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
The provisions dealing with the various types of review need to be explained more clearly.			

Question 11: What are the financial implications of the Bill, if any? In answering this question you may wish to consider Part 2 of the Explanatory Memorandum (the Impact Assessment), which estimates the costs and benefits of implementation of the Bill.			
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
It is not understood how joint standards committees will lead to fewer members on individual Council standards committees which is referred to as a saving.			

Question 12: What are your views on powers in the Bill for Welsh Ministers to make subordinate legislation (i.e statutory instruments including regulations and orders) (section 5 of the Explanatory Memorandum)?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
An inevitable requirement			

Question 13: Are there any other comments you wish to make about specific sections of the Bill?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Local Government (Democracy) (Wales) Act 2013

Section	Notes
PART 1 INTRODUCTION 1 Overview	s.1 30/7/13
PART 2 LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES <i>Continuation and name</i> 2 Local Democracy and Boundary Commission for Wales <i>Status</i> 3 Status <i>Members</i> 4 Membership 5 Tenure <i>Proceedings</i> 6 Proceedings 7 Seal and validity of documents <i>Local Government (Democracy) (Wales) Act 2013 (anaw 4) ii</i> <i>Staff, experts and assistant commissioners</i> 8 Chief executive 9 Other staff 10 Experts 11 Assistant commissioners <i>General powers and directions</i> 12 Powers 13 Delegation 14 Directions <i>Financial matters</i> 15 Funding 16 Accounting officer 17 Audit committee 18 Audit committee: membership 19 Accounts and external audit 20 Annual reports	Part 2 1/10/2013
PART 3 ARRANGEMENTS FOR LOCAL GOVERNMENT CHAPTER 1 DUTIES TO MONITOR LOCAL GOVERNMENT ARRANGEMENTS <i>Duty of the Commission</i> 21 Duty of the Commission to monitor arrangements for local government <i>Duties of a principal council</i>	Part 3 1/10/2013

Section	Notes
<p>22 Duties of principal councils in relation to area</p> <p>CHAPTER 2 AREA REVIEWS <i>Principal areas</i></p> <p>23 Review of principal area boundaries</p> <p>24 Review of principal areas following new town order</p> <p><i>Local Government (Democracy) (Wales) Act 2013 (anaw 4) iii</i></p> <p><i>Communities</i></p> <p>25 Review of community boundaries by principal council</p> <p>26 Review of community boundaries by the Commission</p> <p><i>Preserved counties</i></p> <p>27 Review of preserved counties</p> <p><i>Seaward boundaries</i></p> <p>28 Review of seaward boundaries</p> <p>CHAPTER 3 ELECTORAL ARRANGEMENTS REVIEWS <i>Principal areas</i></p> <p>29 Review of electoral arrangements for principal area</p> <p>30 Considerations for a review of principal area electoral arrangements</p> <p><i>Communities</i></p> <p>31 Review of electoral arrangements for community by principal council</p> <p>32 Review of electoral arrangements for community by the Commission</p> <p>33 Considerations for a review of community electoral arrangements</p> <p>CHAPTER 4 PROCEDURE FOR LOCAL GOVERNMENT REVIEWS <i>Procedure for reviews</i></p> <p>34 Pre-review procedure</p> <p>35 Consultation and investigation</p> <p>36 Reporting on review</p> <p>CHAPTER 5 IMPLEMENTATION FOLLOWING REVIEW <i>Implementation by the Welsh Ministers</i></p> <p>37 Implementation by the Welsh Ministers</p> <p><i>Non-ministerial implementation</i></p> <p>38 Implementation of community boundary change</p> <p>39 Implementation of community electoral arrangements change</p> <p><i>Local Government (Democracy) (Wales) Act 2013 (anaw 4) iv</i></p> <p><i>Further provision about implementation and implementation orders</i></p>	

Section	Notes
<i>Independent Remuneration Panel for Wales</i> 62 Functions relating to payments to members 63 Functions relating to salaries of heads of paid service 64 Relevant authorities 65 Subsequent annual reports 66 Consultation on draft reports 67 Publicity requirements in reports <i>Joint standards committees</i> 68 Joint standards committees 69 Referral of cases relating to conduct	Note: s.63 needs commencement order ss. 64-67 1/10/2013
PART 6 MISCELLANEOUS AND GENERAL PROVISION 70 Ancillary provision 71 Orders and regulations 72 Interpretation 73 Minor and consequential amendments and repeals 74 Ongoing reviews and other savings 75 Commencement 76 Short title	ss.70, 71, 72 (and Sch 3), 75,76: 30/7/13 s.73 (and Schs 1 and 2) 1/10/2013 s.74 1/10/2013
Schedule 1 — Minor and consequential amendments Schedule 2 — Repeals Schedule 3 — Index of defined expressions	Schs 1 and 2 1/10/2013 Sch 3 30/7/2013

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 16 OCTOBER 2013**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **LOCAL GOVERNMENT (WALES) MEASURE 2011
CONSULTATION DOCUMENT 'DESIGNATED
PERSONS ORDER' (NUMBER 1).**

1.00 PURPOSE OF REPORT

To enable the committee to consider the draft response to the Welsh Government Consultation Document number WG17306, Designated Persons Order (Number 1) which has been made to provide specific external scrutiny powers under section 59 of the Local Government (Wales) Measure 2011.

2.00 BACKGROUND

- 2.01** Members will be aware that the Local Government (Wales) Measure has introduced a number of changes within local authority democratic services functions. One of the most eagerly anticipated changes is the specific legal power to scrutinise 'designated persons' – public service providers who are outside the authority.
- 2.02** Flintshire has always been keen to exercise external scrutiny, and over the last 13 years has achieved a number of 'scrutiny firsts'. These include being the first to invite ELWa (the former education and Learning Wales) to attend a meeting, extensive health service scrutiny (including a productive meeting with the then chief executive of the Countess of Chester NHS trust) and, most recently, the newly elected police & crime commissioner for North Wales. These activities have been carried out using the broad powers available to us utilising section 21 (2) (e) of the Local Government Act 2000.
- 2.03** In 2002, it was widely thought that health service scrutiny would become a specific area for local authority scrutiny: whilst this was so in England, it did not become so in Wales. On a number of occasions subsequently, Members in committee have resolved that representations be made to the Welsh Ministers for health scrutiny powers, but to no avail.
- 2.04** During discussions between the Welsh Government and Welsh local authorities prior to the consultation on what became the Local Government (Wales) Measure 2011; it became apparent that more focussed external scrutiny was to become a requirement for local

authorities. When we last reviewed the Overview & Scrutiny committee structure in 2010, we acknowledged this by creating the 'Community Profile & Partnerships Overview & Scrutiny Committee', the terms of reference of which concentrate predominantly on external scrutiny. Members of that committee have often expressed frustration at the lack of progress with statutory guidance as to which public service organisations will become 'designated persons' under section 59 of the Measure.

3.00 CONSIDERATIONS

3.01 The consultation which has been published refers to the expectation that all local authorities and their partners will have a Single Integrated Plan, as set out in *Shared Purpose Shared Delivery* which was published last December. As part of placing integrated planning on a statutory basis 'organisations need to ensure that strong accountability is in place, including arrangements for collective scrutiny'.

3.02 The statutory basis for designated persons means that they

- Provide the public (or a section of the public) with services, goods or facilities of any description (whether on payment or not);
- Provide those services, goods or facilities in the exercise of functions of a public nature;
- (are) wholly or partly funded by public money;
- (are) not a local authority (meaning a county or county borough council).

3.03 The bodies being considered for the first designation phase are:

- Local Health boards
- NHS Trusts
- Fire & Rescue Authorities
- National Park Authorities
- Registered social landlords
- Third sector organisations delivering services to the public

The majority of those being designated had been anticipated but the designation of the health bodies is a welcome departure from the previous Welsh Government stance. The committee may find the inclusion on the list of all of the above acceptable.

3.04 Paragraph 5.2 of the Consultation document states that the 'Welsh Government's policy is for public services, in the future, to be subject to effective scrutiny'

However, further and higher education providers have not been included on the draft list for the first Designated Persons Order. This is surprising: paragraph 5.2 of the Consultation Document observes that:

The first Designation Order under the 2011 Measure is likely to have the practical effect of placing a major focus of local authority scrutiny of 'designated persons' on the contribution their Local Service Board (LSB) partners make to the delivery of shared outcomes in SIP.

3.05 Flintshire Overview & scrutiny committees have engaged with both Glyndwr University and Deeside College (now a part of Coleg Cambria) in the past and will certainly continue so to do. It is suggested that education providers otherwise meet the criteria (as referred to in paragraph 3.02, above) and should be included. The omission is because the Welsh Government had only identified those bodies which were listed in section 38 of the Local Government (Wales) Measure 2009 to be included for the draft first designation order.

3.06 The consultation document also goes on:

Town and community councils are also named community planning partners. Given their existing democratic mandate, we are seeking views on whether and how they could contribute to local collaborative scrutiny and if it is necessary to designate them in the this first phase.

3.07 The obvious difference between the other proposed designated persons and town and community councils is that of direct, democratic election. Members may feel that it would be inappropriate to bring a community council before a scrutiny committee for that very reason, especially as many of the town and community council also have sitting or former county councillors amongst their membership which could make Members of the committee feel very uncomfortable. A more effective role for town and community councillors within the scrutiny process would be as co-optees or contributors on local issues where their knowledge of local demography and geography may be invaluable.

3.08 In terms of which other organisations should be designated, referring to the order as 'Number 1' presupposes that other orders will follow, incorporating other public service bodies. The omission of further and higher education institutions is obvious, and should be suggested for inclusion now. For the future, it could be reasonable to include public service broadcasters, such as the BBC and S4C as they appear to meet the criteria and exert huge influence over public opinion within Wales. Transport providers who receive public subsidies could also be considered.

3.09 The consultation paper also touches on 'What is good scrutiny?' and 'How can good scrutiny be ensured?' These rehearse approaches which are in accord with how we have always operated Overview & Scrutiny in Flintshire and therefore support.

3.10 This report was considered by the Community Profile & Partnerships Overview & Scrutiny Committee at its meeting on 3rd October. This is on the basis that the committee has taken a great deal of interest in the issue and has made representations on the topic to the Minister. At that meeting, reference was made to the Chief Executive's suggestion that all statutory public bodies, whether devolved or not should become 'designated persons'. The Community Profile & Partnerships Overview & Scrutiny Committee supported that suggestion and thus the recommendation from that committee to this is that all statutory public bodies be included within 'Designated Persons Order Number' 1 apart from town and community councils.

4.00 RECOMMENDATIONS

- (1) That the committee considers and comments on the proposals for Designated Persons order (Number 1);
- (2) That all statutory public bodies (apart from town and community councils) become 'designated persons' for the purpose of section 59 of Local Government (Wales) measure 2011.

5.00 FINANCIAL IMPLICATIONS

None directly from this report.

6.00 ANTI POVERTY IMPACT

None directly from this report.

7.00 ENVIRONMENTAL IMPACT

None directly from this report.

8.00 EQUALITIES IMPACT

None directly from this report.

9.00 PERSONNEL IMPLICATIONS

None directly from this report.

10.00 CONSULTATION REQUIRED

Publication of this report constitutes consultation.

11.00 CONSULTATION UNDERTAKEN

Publication of this report constitutes consultation

12.00 APPENDICES

Consultation Response Form.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

None, other than published material.

Contact Officer: Robert Robins
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Email: robert.robins@flintshire.gov.uk

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Consultation on Designated Persons Order (Number 1)

Consultation Response Form

Please note that the consultation ends on 21/11/2013

Name:	Robert Robins
Your organisation:	Flintshire County Council
Your address:	County Hall, Mold, Flintshire CH7 6NR
Email/telephone no.:	robert.robins@flintshire.gov.uk 01352 702320

Please feel free to make any comment you wish on this document, the proposed designated bodies, issues highlighted in the Consultation Document. However, we would particularly welcome comments on the attached questions:

Do you agree that the following bodies should be designated in the first Order? (please tick)	Agree	Disagree
Local Health Boards	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NHS Trusts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fire and Rescue Authorities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
National Park Authorities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Registered Social Landlords	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Third sector organisations that are delivering services to the public.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How could Town and Community Councils best participate in local collaborative scrutiny? Is it necessary to designate them?		
It is not considered necessary or appropriate to designate Town & Community Councils. Their members are democratically elected and there are already close		

working arrangements which include regular meetings of the Flintshire County Forum to discuss matters of mutual interest. It should be left to individual Town or Community Councils to contribute or participate in local collaborative scrutiny as and when they wish to do so and where their local knowledge will provide added value to the scrutiny process.

If you disagree with a body being designated please tell us about it below.

<i>Designated body</i>	<i>Your concerns</i>

Do you think there are other organisations that should be recommended for designation in the *first* Order? Please say why.

<i>Organisation</i>	<i>Reason for recommended designation</i>
All statutory public bodies, whether devolved or not should become 'designated persons', as should any body which receives public funding for the delivery of a service.	<p>Any organisation which receives public money for the delivery of a service, even if it is a commercial organisation should be able to account locally for their services. This would not impinge upon commercial services, but would give a voice to local people.</p> <p>This approach would mean that local authority scrutiny would not be fettered by some public bodies being designated but others not. This would ensure that the approach was clear to all and result in future economies through not needing to draft and consult on further orders in the future.</p>

:	

Do you think there are other organisations that should be recommended for designation in any <i>future</i> Order? Please say why.	
<i>Organisation</i>	<i>Reason for recommended designation</i>
	No future orders would be required if all public statutory bodies had already been included in the first order.

You may wish to offer a view on the following issues outlined in the Consultation Document .	
<i>Issue</i>	<i>Your concerns</i>
<i>Maintaining clear accountability</i>	<p>In Flintshire we have a long tradition of inviting public bodies to our Overview & Scrutiny committees. This has enabled our Members to gain a greater insight into particular issues. It has also meant that the representatives of those services are able to benefit from the views expressed by a wide cross-section of people who, by their very nature, are committed enthusiasts for the delivery of high quality, responsive public services.</p> <p>Early on we invited representative of the former ELWa to attend a meeting of the Lifelong Learning O&SC and have also had all of the bodies included within the designated persons proposals as well as the Police & Crime Commissioner at scrutiny meetings. This has worked well and we would hope that putting the relationship on a 'stronger' statutory basis than s 20(2) (e) would not diminish the co-operative and collaborative nature of our scrutiny. We are keen to be and to remain 'critical friends', which implies a closeness of relationship.</p> <p>The inclusion of all public statutory bodies in the first order will ensure clear accountability.</p>
<i>Forward work programmes – ensuring impact is maximised</i>	<p>Within North Wales we established a scrutiny officers network some 10 years ago. This has proved invaluable in promoting a close working relationship amongst the officers who have been able to bring shared knowledge and experience to the attention of their Members and thus ensure that an undue burden is not placed on organisations which cross boundaries. Proportionality</p>

	<p>has always been a feature of our effective scrutiny, but there will be occasions when a body such as the Local Health Board needs to attend each local authority on an individual basis in order to engage them effectively.</p>
<p><i>Capacity, capability and co-option</i></p>	<p>The contribution to effective scrutiny which has been made by the statutory co-optees on Lifelong Learning has shown how the knowledge and life experience of people who are not members of the committee through the democratic process can enrich its collective knowledge. There is scope to make greater use of the knowledge of both lay and professional people within Overview & Scrutiny. The role of the town or community councillor, with their indepth knowledge of 'their patch' is a good case in point (see earlier comments about town and community councillors)</p>

We have asked a number of specific questions. If you have any related issues or concerns which we have not specifically addressed, please use this space to report them:

The scrutiny of designated persons is an important step in making Overview & Scrutiny more relevant to the general public with whom we wish to engage. We already know how effective Overview & Scrutiny can be in holding the Executive to account and making services run better. However, until there is a problem, such as a service failure, the public with their expectations that things will be run effectively, are not likely to want to become engaged. When there is a problem, the public are able to approach their local member - the organisation has a 'local face'. The majority of public service providers are not locally elected and thus, by their nature, tend to be 'faceless'. Greater scrutiny powers brings more public services into the public arena which can only be beneficial, as long as it is done responsibly and proportionately.

Responses to consultations may be made public – on the internet or in a report. If you would prefer your response to be kept confidential, please tick here:

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 16 OCTOBER 2013**

REPORT BY: **DEMOCRACY AND GOVERNANCE MANAGER**

SUBJECT: **CONSULTATION BY THE INDEPENDENT
REMUNERATION PANEL FOR WALES (IRPW)**

1.00 PURPOSE OF REPORT

1.01 To consider the Council's response to consultation by the IRPW on its draft annual report for 2014.

2.00 BACKGROUND

2.01 The IRPW determines the allowances payable to Members. It consults on its proposed annual report prior to issuing each year's report.

2.02 On the 1 October 2013 the Council received the IRPW draft annual report for 2014 for consultation purposes. Responses to the consultation need to be received by the IRPW no later than the 26 November 2013. A copy of the draft report has been placed in Member Services and in each of the Group Rooms.

3.00 CONSIDERATIONS

3.01 This year's draft report follows the IRPW visiting each of the 22 principal authorities to discuss how its determinations are working in practice and what matters it should consider for this annual report and for the future. The IRPW spent the 25 April meeting various groups of Members and officers of Flintshire.

3.02 The first proposed change the IRPW are consulting on is to increase basic allowance in 2014/15 from the current £13,175 to £13,300 p.a. In the last 3 years there has been a reduction in funding for local authorities and a freeze on public sector pay. Therefore the Panel had determined that during that period it would inappropriate to increase allowances. However, given the modest relaxation in the constraints on public sector pay this year, the Panel is proposing to increase basic allowance by less than 1% from spring 2014.

3.03 The second proposed change relates to the payments to Leader, Deputy Leader and other Cabinet members. Whilst these amounts continue to vary according to the size of population served by a

Council, this variation is proposed to be narrowed. Flintshire is in the middle of the three population groups and the Panel propose to increase the amount paid to the Leader by £500 p.a., that to the Deputy Leader by £40 p.a. and that to Cabinet members by £220 p.a. There are smaller increases for the small number of larger authorities and larger increases for those authorities with smaller populations than Flintshire. These proposed changes in differentials are rather minor.

- 3.04 The third proposed change is a more significant one in that it is giving local choice to each County Council to choose which of three salary bands to pay each individual Committee Chair. At present all Committee Chairs receive the same extra payment for their added responsibility. It is proposed that in future this will be either £8,700, £6,700 or £4,700 as determined by each individual authority for each individual Chair. At present the uplift on basic allowance amounts to £8,735 p.a.
- 3.05 The next proposed change is to increase the amount paid to the Leader of what the IRPW calls the largest 'opposition group'. It is proposed that this increase on basic salary would be £8,700 p.a. whereas at present it is only £3,745 p.a. In paragraph 3.14 of its draft report the Panel indicate that they take the view that the payment for this position is important for local democracy.
- 3.06 The Panel also proposes to introduce more flexibility and local choice for the amount paid to Civic Heads and Deputy Civic Heads. As with Committee Chairs it is proposed that Councils can choose the level of payment from three bands of payment. The middle of these bands is the nearest to our current payments and would result in an increase of £125 p.a. for the Chair but a reduction of £625 p.a. for the Vice Chair. The top band would be an increase of £2,625 p.a. for the Chair and £1,375 p.a. for the Vice Chair.
- 3.07 In the draft report the Panel makes clear that all Councillors should be provided with adequate telephone and e-mail facilities and electronic access to appropriate information without cost to the individual Member.
- 3.08 The draft report proposes to remove the current maximum reimbursement for an overnight stay in Cardiff (£120) and for all such overnight stays outside of London for the maximum to be £95. The draft report explains that this brings payable rates in line with Welsh Government rates.
- 3.09 In relation to co-opted members it is proposed that certain matters, such as preparation time, can be taken into account in deciding whether the half day or full day fee should be paid. This proposal will add further complexity to an already complex arrangement, introduce a lack of transparency and differences in payments from one co-opted

member to another. The Committee is recommended to make representations against these aspects in the draft report. The draft report proposes to widen the meetings for which co-optees will be eligible for payment to include Working Group meetings and Task & Finish Group meetings which seems sensible.

- 3.10 In relation to Town & Community Councils the draft report proposes to authorise such Councils to make a payment to each of their members up to a maximum of £100 per year for costs incurred in respect of telephone usage, information technology, consumables etc. The draft report also proposes to authorise Town & Community Councils to provide a civic allowance to the Mayor/Chair and Deputy Mayor/Chair of the Council of an amount they deem appropriate to undertake the functions of that office. The draft report also contains a number of proposals relating to reimbursement of expenditure to Town & Community Councils for travel and subsistence.
- 3.11 The draft report makes no proposals to change the limit of 18 on the number of so called 'senior salaries' which Flintshire can pay its members who have special responsibilities. This represents 25.7% of the Council membership when for other Councils it can be as high as 50%. At the consultation meeting in April representations were made to the Panel to increase this limit. The point was made that the total amount paid to all those Councillors having special responsibilities could be limited but it should be left to the local choice of individual Councils how they wish to allocate that amount subject to an overall limit on numbers of 50% of the membership.
- 3.12 To assist the Committee in its consideration of the draft proposals a draft response is attached as Appendix 1.

4.00 RECOMMENDATIONS

- 4.01 For the Committee to determine how to respond to consultation on the IRPW's proposed annual report for 2014.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Can not be determined at this stage.

6.00 ANTI POVERTY IMPACT

- 6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None as a result of this report.

12.00 APPENDICES

12.01 Appendix 1 - Draft response to the IRPW

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Draft annual report for 2014.

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Draft Response to IRPW re Draft Annual Report for 2014

1. The Council welcomes those parts of the draft proposals that increase the scope for local choice by individual Councils. It does however believe that a better way of providing local choice would be to ring-fence the amount that can be paid to those members who have special responsibilities and leave it to individual Councils to determine how that amount should be allocated.
2. The draft annual report does not propose any increase in the number of Councillors who can be paid for having special responsibilities and therefore does not address the discrepancy between those Councils who have a larger number of Councillors (such as Flintshire) and those that do not (such as Isle of Anglesey). Only 25.7% of Flintshire's membership can receive payments for their special responsibilities whereas in Anglesey it is 50% and there is no good reason for this discrepancy.
3. In relation to co-opted members, whilst the Council welcomes eligibility being extended to include attendance at Working Group and Task and Finish Group meetings the proposed determinations 26, 27 and 28 will add to the complexity of an already unnecessarily complex area. They will also lead to a lack of transparency and create inconsistency between different co-opted members.

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**
DATE: **WEDNESDAY, 16 OCTOBER 2013**
REPORT BY: **MEMBER ENGAGEMENT MANAGER**
SUBJECT: **WALES AUDIT OFFICE SCRUTINY IMPROVEMENT STUDY**

1.00 PURPOSE OF REPORT

1.01 To provide the Committee with an update on the progress which has been made with the Wales Audit Office (WAO) Scrutiny Improvement Study.

2.00 BACKGROUND

2.01 The WAO Scrutiny study was initially considered by the committee at its meeting on 24th October 2012. As part of a national programme of Wales Audit Office activity to improve scrutiny, Flintshire was invited to take part in a self-evaluation and peer review process.

2.02 The self-evaluation started in September 2012 and a further exercise was conducted this summer, reflecting on the original self-evaluation in the light of both our subsequent experience and the views of the Wrexham Peer Learning Exchange Team (WPLET) which observed at two of our committee meetings, Lifelong Learning and Environment.

2.03 The guidance from WAO was that each authority's Peer Learning Exchange Team (PLET) should comprise five or six people from a range of both executive and non executive Members and officers. The composition of the Flintshire PLET, which the committee agreed last October was :

Cllr Billy Mullin, Cabinet member for Corporate Management;
Cllr Richard Jones, Chair of Corporate Resources O&SC;
Cllr Clive Carver, Vice-chair of Corporate Resources O&SC;
Cllr David Mackie (replacing Cllr Carolyn Thomas, the original nominee);
Margaret Parry-Jones, Overview & Scrutiny Facilitator and project lead;
Robert Robins, Member Engagement Manager.

2.04 The PLET members took part in a number of activities: the self-evaluation and subsequent review thereof; an initial workshop in Llandudno in November; a feedback workshop in Colwyn Bay in April and observing and then providing feedback at two Denbighshire scrutiny committee meetings and attending a meeting with the Denbighshire chairs and vice-chairs group.

2.05 The Peer Learning Exchange Team from Wrexham (comprising Members and officers) and representatives of WAO observed a meeting of our Environment O&SC on 6th February and a meeting of Lifelong Learning O&SC on 14th February 2013. At the close of both meetings, the Wrexham team gave feedback on a summary of their observations to the committee around the following areas:

- What went well;
- What could be done better;
- What could be done differently;
- Any best practice which they observed.

The Flintshire PLET had carried out a similar exercise at the two Denbighshire meetings which they attended.

2.06 A meeting between our Overview & Scrutiny chairs, the WPLET members and a representative of WAO took place on 18th April 2013. The purpose of the meeting was for the WPLET to seek comments from the Chairs and Vice-chairs on how they feel that Overview & scrutiny works in Flintshire and to comment on the observations made by the WPLET following their attendance at the two Flintshire meetings.

2.07 At the July meeting of the committee, a report detailing the feedback and the Flintshire responses was submitted. A draft action plan had been developed, to utilise the learning which had been acquired at that stage. At that meeting, the draft was approved and it was also resolved that there be a further report to the committee and that the Member Engagement Manager should discuss the suggestions raised with appropriate group leaders and committee chairs. As the study is still on going, that meeting has yet to take place.

3.00 CONSIDERATIONS

3.01 To complete the self-assessment, each of the 30 questions in the study had to be responded to, and evidenced. One of four scores was then awarded for each question, starting from negative to positive.

These were categorised as:

- (1) Hindering,
- (2) Partly supporting;
- (3) Positively supporting and
- (4) Significantly supporting.

3.02 Flintshire completed the self assessment and was subsequently assessed (on the basis of evidence and observation) by colleagues from the Wrexham PLET. Flintshire's PLET conducted the same exercise for Denbighshire.

3.03 In appendix 2, the 30 questions, together with the FCC and Wrexham PLET (WPLET) assessments are listed. Scoring of this nature is essentially subjective: what should be noted is that there is never a great variance between the assessments and that for numbers 6, 11, 17 and 24; the WPLET assessment is actually higher than Flintshire's own.

	Hindering	Partly Supporting	Positively Supporting	Significantly Supporting
FCC self-evaluation	0	5	16	9
WLPET evaluation	0	11	11	8

3.04 As a result of the self assessment and that of the WPLET colleagues, an action plan was produced and was considered at the July meeting. The WAO published its final versions of the all Wales exercise and the analysis of Flintshire's results on the same day as the committee met. Therefore, the action plan had originally been produced before the final report was available. However, there was no change between the draft and final versions as they relate to Flintshire. An updated version of the action plan, showing progress to date is attached as appendix 1.

3.05 In terms of the self-assessment exercise, the need to produce evidence in order to justify an evaluation has been a valuable exercise. At the Wales Scrutiny Officers Network in August, officers reflected on the questions used for the Scrutiny Improvement Study and have submitted a more succinct set of characteristics to the Wales Audit Office for consideration prior to the event on the 28th of November.

3.06 There is considerable merit in carrying out an annual assessment which would be being analysed and reported back to this committee: such an approach will ensure that the Overview & Scrutiny function continues to be a beneficial element of our corporate governance and gives value for money. Either the original self evaluation questions or the 'characteristics of effective scrutiny' approach referred to in 3.05 could be used.

3.07 The final stage of the study process will now be the WAO '*Scrutiny in the Spotlight- Investing to maximise its impact*' event to be held in Cardiff on 28th November. Bearing in mind the attendees whom the WAO had suggested, the Flintshire nominations are:

Cllr Aaron Shotton, Leader of the Council;
Cllr Billy Mullin, Cabinet Member and PLET member,
Cllr Richard Jones, PLET member;
Cllr David Mackie, PLET member;
Colin Everett, Chief Executive;
Peter Evans, Democracy & Governance Manager;
Margaret Parry-Jones, O&S facilitator, PLET project lead;
Ceri Owen, O&S Facilitator;
Vicki Roberts, Performance Team Leader;
Robert Robins, Member Engagement Manager and PLET member.

4.00 RECOMMENDATIONS

(1) That the committee comments on the results of the self and peer assessments shown in questions 1-30 , in appendix 2;
(2) That the updated action plan as submitted in appendix 1 be considered and commented on;
(3) That the desirability of an annual self-evaluation, based on the WAO 30 questions or the 'characteristics of effective scrutiny' approach be considered.

5.00 FINANCIAL IMPLICATIONS

None arising directly form this report.

6.00 ANTI POVERTY IMPACT

None arising directly form this report

7.00 ENVIRONMENTAL IMPACT

None arising directly form this report

8.00 EQUALITIES IMPACT

None arising directly from this report

9.00 PERSONNEL IMPLICATIONS

None arising directly from this report

10.00 CONSULTATION REQUIRED

Publication of this report constitutes consultation.

11.00 CONSULTATION UNDERTAKEN

Publication of this report constitutes consultation

12.00 APPENDICES

- 1 Peer Review Action Plan updated September 2013
- 2 The self-evaluation 30 questions.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Good scrutiny? Good Question! WAO Scrutiny Improvement Study.
Phase 5 – FCC’s final self evaluation of their own overview &
scrutiny arrangements.

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WAO Peer Review Action Plan

	Area for consideration	Proposed Actions	Lead	Timescale	Actions Carried Out
1.	Citizen Engagement – restricted space for public attendance	<ul style="list-style-type: none"> Review the approach and consider additional capacity requirements according to need 	Robert Robins	End of Sept 2013	Tables to be moved from public gallery and extra chairs put in as required (as per the suggestion made at the Constitution Ctte)
2.	Continue to raise the profile of scrutiny	<ul style="list-style-type: none"> Strategy developed in cooperation with Gill Watkins. Specific approach – hard to reach groups etc. 	Ceri Owen	End Dec 2013	Work in progress
3.	Reports to Cabinet to include a section to ensure scrutiny accurately reflected	Cabinet to consider suggestion of including an additional section within Cabinet report template – best practice example Wrexham.	Gareth Owens/ Peter Evans	End Dec 2013	Work in progress
4.	A degree of challenge observed, but from the observed meetings there could have been more in-depth, follow up questions – training?	<ul style="list-style-type: none"> O & S Member training needs analysis – taking into account specific skills required for effective scrutiny – e.g. questioning skills / Different chairing skills / encourage apolitical environment etc. (avoid groups sitting together etc) Why poor attendance? Need for certain aspects to be compulsory? (Audit/planning). 	Peter Evans	On-going	Julia Wright has been booked to carry out three training sessions: 14.00-17.00, 18.00 -21.00 31 st October 9.30-12.30 1 st November.
5.	What value was added by scrutiny?				
6.	Certain aspects of training to be made compulsory	<ul style="list-style-type: none"> Training not well attended Chair/Vice-Chairs/PLET team to consider further 	Robert Robins	On-going	At the meeting of the Democratic Services committee

	Area for consideration	Proposed Actions	Lead	Timescale	Actions Carried Out
					which was held on 17/7/13, it was recognised that making training compulsory was neither possible nor desirable. However, Group Leaders could be asked to encourage their respective members to attend.
7.	Inconsistency between scrutiny committees in terms of pre-meetings	Review approach to scrutiny pre-meetings with Chairs / Vice Chairs /PLET Team / CMT. To be considered. The issue of variation is accepted but there has to be some flexibility that allows judgment to be used based on the different needs of O & S Committees.	Robert Robins	On-going	Whether a chair wants a briefing or not depends on the content of the agenda. A 'mixed economy' approach is likely to prevail
8.	Value of an executive summary or briefing note for lengthy reports/documents	To be considered	Gareth Owens	End Dec 2013	Work in progress
9.	More detailed recommendations to be agreed and recorded to better reflect the discussions at the meeting (most recommendations in	Discuss with Chairs/Vice/Chairs/Directors/ O & S Team. Outcome focused recommendations required – avoid 'note the report'.	Report Authors/ Directors	End Dec 2013	Work in progress Officers advising ctte chairs to frame resolutions to be active rather than

	Area for consideration	Proposed Actions	Lead	Timescale	Actions Carried Out
	the observed meetings appeared to be “note the report”.				passive.
10.	Look at other ways to deal with ‘awareness raising items to create capacity within work programmes.	Discuss with Chairs/Vice Chairs/PLET team/Directors and group leaders. Workshops to raise Member awareness continue to be a popular and effective way of achieving this, despite WAO misgivings. Workshops augment rather than circumvent the scrutiny process.	O&S Team	End Dec 2013	Work in progress
11.	Members of public not allowed to routinely speak at scrutiny	Consider as element of Citizen Engagement strategy – Measure etc	O&S Team	End Dec 2013	Work in progress
12.	No evidence of public interest in scrutiny items (enhanced publicity).	Consider as element of Citizen Engagement strategy – Measure etc	O&S Team	End of December 2013	Work in progress
13.	Consider the impact of the limited resource available and impact on activity e.g. expert witnesses, training, etc	The use of expert witnesses at O&S has been very limited and this is not regarded as a particular problem. Resources for training are still available in the current financial year (see number 4 above) The officers would be able to deliver training in house.	O&S Team	On-going	Work in progress
14.	Engage local members more formally on issues affecting their communities (as the voice of local people)	Chair/Vice Chairs to consider (Denbighshire example)	O&S Team	End Dec 2013	Work in progress

Appendix 2 Analysis of Flintshire's self-evaluation and the evaluation carried out by the Wrexham Peer Learning Evaluation Team

No	Question	FCC	WPLET
1.	Is there a clear and shared understanding and application of the role and purpose of O&S amongst exec and non-exec members, senior officers and key local partners?	Significantly	Positively
2.	Does O&S enjoy a high status and is it held in high esteem, trusted and respected both within and outside the authority?	Positively	Positively
3.	Is there a well defined and constructive relationship between O&S, the executive and senior officers	Positively	Positively
4.	Does O&S have a clearly defined and valued role in the council's self-evaluation, performance management and improvement arrangements?	Significantly	Positively
5.	Is there regular and effective two way communication between O&S and external/internal auditors, regulators and inspectors?	Positively	Partly
6.	Does O&S have clear governance arrangements that are understood and applied effectively?	Significantly	Significantly
7.	Are O&S chairs and executive members actively promoting the role and value of the scrutiny function to a variety of internal and external stakeholders?	Positively	Partly
8.	Do O&S members have access to development and training opportunities focussed on need as part of the Council's wider commitment to member support and development?	Positively	Positively
9.	Does O&S have a sufficient level of dedicated support from officers who are able to research independently and are able to provide O&S members with high quality objective analysis and support?	Significantly	Significantly
10.	Is the role of officers directly supporting scrutiny activity well understood and valued within the organisation?	Significantly	Significantly

11.	Does the O&S process receive effective support from the council's wider officers corps as and when required?	Positively	Significantly
12.	Is information provided to O&S relevant, robust, balanced, meaningful, responsive to requests, of high quality and provided in a timely and consistent manner?	Positively	Positively
13.	Does the environment O&S operate in support improvement?	Positively	Positively
14.	Does O&S provide evidence based constructive challenge; operate objectively, apolitically and with independence from executive decision makers?	Positively	Partly
15.	Do O&S members identify appropriate topics for challenge or policy review/development and develop outcome-focused forward work programmes?	Positively	Partly
16.	Do O&S members constructively yet robustly challenge policy and decision makers and implementers (incl partners etc) through effective questioning, listening and analysis and develop a good understanding and knowledge of the subject under scrutiny?	Positively	Partly
17.	Are O&S inquiries/reviews in-depth, rigorous and draw upon independent and objective perspectives from a wide range of sources (incl benchmarking information) within and outside the Council?	Positively	Significantly
18.	Does O&S regularly engage with members, officers, the public and other external stakeholders in planning and conducting its work?	Partly	Partly
19.	Does O&S have a balanced and focussed work programme that is developed by O&S members, following consultation with the public and partners and discussions with executive members and senior officers?	Partly	Partly
20.	Do O&S members plan their work considering the appropriateness of a range of scrutiny methods/ methodologies, use of clear terms of reference and realistic project plans?	Positively	Positively

21.	Are scrutiny forward work programmes routinely shared with auditors, inspectors and regulators to influence planning of improvement activity?	Partly	Partly
22.	Does O&S play a key role in the council's self-evaluation and assessment arrangements and regularly evaluate itself to ensure that it continues to learn and improve how it adds value and impact?	Partly	Partly
23.	Is Overview & Scrutiny practice effective?	Positively	Partly
24.	Does O&S regularly contribute to the improvement of proposed/ existing policies for the benefit of the area and its local communities?	Positively	Significantly
25.	Does O&S identify instances where agreed policies are not being implemented effectively and recommend appropriate remedial action to whoever is responsible within or outside the council?	Positively	Positively
26.	Does O&S challenge poor performance and its causes and alert senior officers, the executive, full council or partners to instigate remedial action as appropriate, whilst continuing to monitor progress to remedy this?	Significantly	Positively
27.	When conducting in-depth inquiries/ reviews into areas of poor performance, does O&S help shape responses to improve performance and the performance of other public sector providers?	Significantly	Positively
28.	Does O&S ensure that the 'voice' of local people and communities across the area is heard as part of local decision and policy making processes?	Partly	Partly
29.	Does O&S enhance democratic accountability through regular, robust, constructive and public challenge of local decision makers /deliverers of services in the local area (including other public service providers/providers of shared services)?	Significantly	Significantly
30.	Does O&S activity have impact?	Significantly	Positively

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