



## OVERVIEW AND SCRUTINY BOARD

15 JUNE 2004

### REPORT OF THE AUDIT COMMISSION'S EXAMINATION OF SCRUTINY IN MIDDLESBROUGH

#### 1. PURPOSE OF THE REPORT

- 1.1 To inform Members of the Overview and Scrutiny Board (OSB) of the examination undertaken by the Council's external Auditors of the Overview and Scrutiny Function in Middlesbrough.

#### 2. BACKGROUND

- 2.1 The Local Government Act 2000 gave Councils' a clear role in Corporate Governance and central to this agenda is the need for transparent decision making and accountability.
- 2.2 To reflect the importance of this area of activity, the Councils Auditors built into their 2003/04 programme an examination of Middlesbrough's Overview and Scrutiny Function. A draft report was presented by the Auditors and officers of the Council subsequently engaged with Auditors on areas of clarification and a final report was received earlier this year.
- 2.3 Recognising that the structure and composition of the Scrutiny Panels was to change at the Council's Annual Meeting, it was considered appropriate to present a summary of the Auditors report to the first Overview and Scrutiny Board meeting following the Council's Annual Meeting. The following presents the Auditors final assessments:-
- 2.4 The Auditors Approach: -
- Attend a sample of Scrutiny Panels and committee meetings;
  - Discussions with key officers and Members; and
  - Review documents and web site information.

### **3 THE AUDIT**

3.1 The Auditors addressed ten major areas during their examination, which can be embraced as, political composition and engagement, the structure and operation of the Scrutiny Function, and holding the Executive to account and reporting. The ten divisions contained twenty-eight challenging questions and the Auditors report presents the key findings and associated recommendations where considered appropriate.

3.2 The Auditors have compiled an action plan addressing nine of the ten areas of their examination lifting recommendations for the Councils consideration. The Action Plan is presented as Appendix 1.

3.3 Main Conclusions:-

- Middlesbrough's Overview and Scrutiny Function is well supported compared with neighbouring authorities and we identified a number of examples where it has been successful in terms of :-
  - Policy development;
  - Assessing quality of service; and
  - Reviewing key decisions.
  
- Attendance at a sample of meetings indicated that meetings are well chaired; Members are well informed and ask challenging questions. Annual Work Programmes are in place and strong co-ordination mechanisms exist to ensure that funding and recommendations are put forward to the Executive.
  
- Arrangements are regularly reviewed and recent changes should yield significant benefits in the future, in particular:
  - Restructuring the Scrutiny Function into seven Panels to align with Executive portfolios; and
  - Providing feedback on progress in implementing recommendations

### **4 AUDITORS KEY RECOMMENDATIONS**

- The OSB should review the number of projects being undertaken by the Scrutiny Function, so as to ensure a manageable workload and ability to deliver timely, quality reviews;
  
- More detailed project plans might help the direction and delivery of individual scrutiny reviews;

- The timing of Overview and Scrutiny training events for Members should be reviewed in consultation with the OSB and alternatives explored, so as to increase the level of Member take up; and
- Develop links so that Scrutiny reviews informs other corporate processes and reduces duplication of effort.

## **5 CONCLUSION**

- 5.1 Middlesbrough is recognised regionally and nationally by other Local Authorities and Institutions as operating a well-structured, active and effective Scrutiny Function. Consequently, it has been exposed to a number of comparative assessments, research projects, enquiries and Audit examination.
- 5.2 This Audit report illustrates in many respects the solid structure of the Overview and Scrutiny Function in Middlesbrough and the positive engagement of Members in undertaking their Scrutiny responsibilities seriously.
- 5.3 It is appreciated that Auditors endeavour to identify areas of weakness and failing, in order that advice can be forthcoming to assist Councils on their road to improvement. It is self evident that the contents of this Audit report commend Middlesbrough on many occasions and comments that Middlesbrough is establishing best practice are testimony to reflect the effort and application Members and Officers have invested in the Overview and Scrutiny Function to ensure it is effective.
- 5.4 Scrutiny is evolving and Middlesbrough is at the forefront of that evolution, consequently, the recommendations contained within this report have been adopted and many surpassed.

## **6 RECOMMENDATION**

- 6.1 That the Board receives the report and considers the items contained within the Auditors action plan together with the key recommendations contained within this report.

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