

**Decision Maker:** Council

**Date:** 20<sup>th</sup> February 2012

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** **MINOR CHANGES TO THE CONSTITUTION:  
(A) STATUTORY SCRUTINY OFFICER  
(B) AUDIT SUB-COMMITTEE TERMS OF REFERENCE**

**Contact Officer:** Graham Walton, Democratic Services Manager  
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**Chief Officer:** Mark Bowen, Director of Resources

**Ward:** N/A

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1. Reason for report

- 1.1 This report asks Council to approve two minor changes to the Constitution to ensure that it is kept up to date. The first relates to the requirement to designate a statutory Scrutiny Officer, while the second is to include the new terms of reference for the Audit Sub-Committee agreed by the General Purposes and Licensing Committee at its meeting on 1<sup>st</sup> December 2011.
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2. **RECOMMENDATIONS**

That the following changes be made to the Council's Constitution –

- (1) In Part 1, Article 12, paragraph 12.01 (c), the role of Scrutiny Officer be designated to the Democratic Services Manager, the heading of the paragraph be changed to include the Scrutiny Officer, and the reference to the functions in Article 12.02-12.04 be amended to refer to Articles 12.02 -12.05.
- (2) In Part 3, paragraph 2.02, the terms of reference of the Audit Sub-Committee be changed in accordance with the decision of the General Purposes and Licensing Committee (as set out in Appendix A to this report.)

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £344,054
  5. Source of funding: 2011/12 revenue budget
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### Staff

1. Number of staff (current and additional): There are 9 posts (8.22 fte)
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory requirement. Section 31 of the Local Democracy, Economic Development and Construction Act 2009 requires the Council to designate a Scrutiny Officer.
  2. Call-in: Call-in is not applicable. This report does not involve an executive decision.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Statutory Scrutiny Officer

- 3.1 Article 12 of the Council’s Constitution includes at paragraph 12.01 (c) (page 38) a table setting out the designated officer posts required by statute – the Head of Paid Service, the Monitoring Officer, the Chief Finance Officer and the Scrutiny Officer. The role of Scrutiny Officer is a recent introduction, and is summarised later in the same Article of the Constitution as follows -

##### 12.05 Statutory Functions of the Scrutiny officer

The Scrutiny officer will promote the role of the Council’s Policy Development and Scrutiny Committees, provide support to those Committees and provide support and guidance to Members of the authority on the functions of overview and scrutiny.

- 3.2 The Council on 28<sup>th</sup> February 2011 designated Sheila Bennett, Assistant Director, Democracy and Registration, as the Council’s statutory Scrutiny Officer. The post of Assistant Director, Democracy and Registration is now being deleted, so the Council needs to appoint a replacement Scrutiny Officer. Most of the responsibilities of the post are being taken on by the Assistant Director, Legal and Support Services, Joy Connor, but her role as Deputy Monitoring Officer means that it would not be practical for her to also be the Scrutiny Officer (see Legal Implications, below). It is therefore recommended that the Scrutiny Officer role be undertaken by the Democratic Services Manager, Graham Walton. The opportunity is also being taken to make two minor corrections to the wording of this paragraph.

#### Audit Sub-Committee: Terms of Reference

- 3.3 Following consultation with the Chairman and Vice-Chairman of the Audit Sub-Committee, the Sub-Committee had considered new terms of reference on 22<sup>nd</sup> September 2011 which were reported to the General Purposes and Licensing Committee at its meeting on 1<sup>st</sup> December 2011 for approval. The Committee approved the new terms of reference, with one change (in the penultimate bullet point, the last phrase was amended by adding the words “...demonstrated and...”.) The terms of reference of Committees and Sub-Committees are set out in the Council’s Constitution, so Council is requested to update the Constitution (page 55) by including the revised wording.
- 3.4 The revised terms of reference are set out in Appendix A.

### 4 LEGAL IMPLICATIONS

- 4.1 Section 31 of the Local Democracy, Economic Development and Construction Act 2009 requires the Council to designate a Scrutiny Officer. The role of statutory Scrutiny Officer cannot be carried out by the Head of Paid Service, the Monitoring Officer or the Chief Finance Officer.

<b>Non-Applicable Sections:</b>	Policy/Financial/Personnel
Background Documents: (Access via Contact Officer)	Agenda and minutes, General purposes and Licensing Committee, 1 <sup>st</sup> December 2012

## **Part 3 Responsibility for Functions**

2.02 **Audit Sub-Committee** (Membership proportional – may include one Member of the Executive from each recognised party group, subject to Executive Members not being in a majority.)

- Monitor internal audit's strategy, plan and performance.
- Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- Consider the reports of external audit and inspection agencies.
- Consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti fraud and anti corruption arrangements.
- Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
- Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is demonstrated and actively promoted.
- Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.