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**REPORT TO: MORAY COUNCIL ON 10 NOVEMBER 2021**

**SUBJECT: REMIT OF THE AUDIT AND SCRUTINY COMMITTEE**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

1.1 The report seeks the Council approval, as part of the final stage of the Council's review of committee governance arrangements, to clarify the scrutiny remit of the Audit and Scrutiny Committee and approve a Scrutiny Guide.

1.2 This report is submitted to Committee in terms of Section II (10) of the Scheme of the Council's Scheme of Administration, changes in committee responsibilities.

**2. RECOMMENDATION**

**2.1 It proposed that the Council:**

- (i) agree the remit of the Audit and Scrutiny Committee contained in paragraph 4.2 below;**
- (ii) agree that the Council's Scheme of Administration is revised to reflect the remit in terms of Appendix 1;**
- (iii) approve the Scrutiny Guide attached as Appendix 2 to be adopted as part of the Council's Second Tier Governance Documents;**
- (iv) consider reducing the frequency of meetings of the Audit and Scrutiny Committee from 8 weekly to quarterly; and**
- (v) consider reducing the number of Members who sit on the Audit and Scrutiny Committee.**

**3. BACKGROUND**

**Recent committee decisions**

3.1 Following a governance review the Council agreed changes to its committee structure at a meeting on 30 June 2021 (para 24 of the [minute](#)). The Scheme of Administration was revised to reflect these changes and agreed at a meeting of the Council on 15 September 2021 (para 32 of the minute refers).

3.2 Two issues are outstanding from the 30 June decision:

- Clarify the scrutiny role of the Audit and Scrutiny committee with reference to a separate scrutiny guidance document.
- Consider the merit of a sub-committee for Children's Services with recommendations to the Education, Children's and Leisure Services Committee.

3.3 This report deals with the outstanding scrutiny issue. A separate report on this agenda addresses the position in relation to the Children's Services sub-committee.

### **Statutory background**

3.4 Whilst there is no explicit statutory duty on local authorities in Scotland to put scrutiny measures in place, there is a statutory duty to pursue Best Value. Scrutiny and continuous improvement arrangements are closely linked to Best Value and are subject to Best Value recommendations by Audit Scotland.

### **Scrutiny through committees**

3.5 Local authorities in Scotland approach scrutiny in different ways:

- In local authorities with an administration led **cabinet or executive** committee there is a need to have a separate scrutiny committee (or committees) with wide ranging call in powers to achieve political balance.
- In local authorities where the administration group significantly outnumbers opposition groups then more robust and formal scrutiny arrangements may be needed to achieve political balance.
- In local authorities where there is a finer political balance then scrutiny tends to be "frontloaded", largely taking place in meetings of the Council and service committees.

3.6 Whatever model is adopted it is important to ensure that there are adequate opportunities for Members to scrutinise service policy, decision making and performance and that scrutiny arrangements are kept under regular review to ensure that they meet the needs of the organisation.

3.7 Scrutiny of service policy, decision making and performance used to take place through the Council's Audit and Performance Review Committee. The Council chose to move this scrutiny function to service committees in a review of the Scheme of Administration in 2014 at which time the committee was renamed the Audit and Scrutiny Committee.

3.8 Since then service committees undertake the bulk of scrutiny activity in the Council with active questioning and monitoring of progress against agreed outcomes. The role of the Audit and Scrutiny Committee has been less clear in relation to its scrutiny function and would benefit from further definition.

### **Scrutiny guidance and training**

3.9 In addition to the committee scrutiny function a number of local authorities have additional guidance and training for Members. The Audit and Scrutiny committee have identified that the Council would benefit from a scrutiny

guidance document and considered a draft [Scrutiny Handbook](#) at their [meeting](#) on 19 November 2019 (para 6 of the [minute](#)). This meeting agreed to set up a working group to consider the terms of a scrutiny handbook, however with the time and logistical pressures of the pandemic and then the subsequent governance review this working group has not met.

### **External scrutiny**

- 3.10 In addition to scrutiny by Members through committees there are a number of ways in which effective scrutiny of Council policies, decision making and performance can take place. These are shown in draft Scrutiny Guide detailed at paragraph 4.3 below and attached as **Appendix 2**

## **4. PROPOSALS**

- 4.1 Given the healthy level of scrutiny that takes place in the Council and its service committees it is considered appropriate that the Audit and Scrutiny committee assume a “safety net” role to pick up on areas which have been flagged by internal audit or external audit and regulators and ensure that these are followed through for improvement action.

- 4.2 It is proposed that the scrutiny role of the committee is defined as follows:

To scrutinise areas of policy, service delivery or performance identified for improvement in:

- (i) internal and external audit reports where sufficient evidence of progress from the appropriate committee is not available;
- (ii) reports or findings from external regulators where sufficient evidence of progress from the appropriate committee is not available.

To receive reports on the performance of and trends within the Council's services as a whole in terms of the Local Government Benchmarking Framework.

- 4.3 The Audit and Scrutiny Committee would be empowered to make recommendations to service committees in the areas identified for improvement.
- 4.4 To help clarify the scrutiny function within the Council, improve the quality of frontline scrutiny by service committees and assist Members in this process it is further proposed that the Council adopt the **Scrutiny Guide** attached as **Appendix 2** to this report and that this document is published within the [Council's Second Tier Governance Documents](#).
- 4.5 To complement the guide, the Council's Organisational Development team are arranging further training for Members in scrutiny. This training delivery will be supported by the Improvement Service.
- 4.6 Agendas for the Audit and Scrutiny Committee tend to be shorter than for other service committees and it is proposed that the frequency of meetings is reduced from 8 weekly to 12 weekly. This reduced frequency would still allow for the timely consideration of audit reports.

- 4.7 Members may also wish to consider the number of members who sit on the Audit and Scrutiny Committee. The only membership requirement for this committee is that it should reflect political balance. There is no prescription on who the Committee chair should be although there is a convention in Moray that the chair is not a member of the administration group. Guidance and best practice suggests that a scrutiny committee benefits from its membership being drawn from more experienced Members.

## **5. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Having strong governance arrangements in place contributes to the Corporate Plan aim of having a Sustainable Council.

**(b) Policy and Legal**

There are no legal requirements in relation to scrutiny. It is a matter of policy for the council to determine.

**(c) Financial implications**

There are no direct financial implications from the recommendations in this report. Having strong scrutiny arrangements in place will assist with good financial governance.

**(d) Risk Implications**

None

**(e) Staffing Implications**

None

**(f) Property**

None

**(g) Equalities/Socio Economic Impact**

No direct implications.

**(h) Consultations**

CMT, the Head of Finance, the Audit and Risk Manager and the Chair of the Audit and Scrutiny Committee have been consulted.

**6. CONCLUSION**

- 6.1 The Council is asked to review its scrutiny arrangements, approve an update of the remit of the Audit and Scrutiny Committee within its Scheme of Administration and approve a Scrutiny Guide as part of its Second Tier Governance Documents.**

Author of Report: Head of Governance, Strategy and Performance.  
Background Papers: none  
Ref:

## Appendix 1

Scheme of Administration: Audit and Scrutiny remit

### (1) AUDIT AND SCRUTINY COMMITTEE

The following functions of the Council shall stand referred or delegated to this Committee:

#### Standards

- (1) To ensure that the highest standards of probity and public accountability are demonstrated.

#### Audit Functions

- (2) Considering reports from the Council's Internal Auditor.
- (3) Considering reports from Audit Scotland concerning Council functions.
- (4) Contributing towards making the Council, its Committees and Services more responsive to the audit function and its purpose.
- (5) Enhancing corporate governance arrangements by promoting internal control and risk management, by supporting an anti-fraud culture, and by the review of revisions to financial procedures.
- (6) Having responsibility for focussing audit resources through a process of endorsing the five year strategic audit plan and agreeing the annual programme of work.
- (7) Monitoring delivery of the audit service through receipt of quarterly reports on work carried out by Internal Audit.
- (8) Considering reports produced by the Council's External Auditor and by Audit Scotland.
- (9) Considering the annual assurance statement provided by Internal Audit on the Council's control environment.

#### Scrutiny Functions

- (10) To scrutinise areas of policy, service delivery or performance identified for improvement in:  
(i) internal and external audit reports where sufficient evidence of progress from the appropriate committee is not available;

(ii) reports or findings from external regulators where sufficient evidence of progress from the appropriate committee is not available.

- (11) To receive reports on the performance of and trends within Council's services as a whole in terms of Local Government Benchmarking Framework.

**Inquiries**

- (12) To deal with all matters relating to local inquiries into matters affecting children.

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# SCRUTINY GUIDE

Approved by: Moray Council on [date]

Author: Head of Governance, Strategy and Performance

Date for review: Nov 2025



This document is a guide for the public, councillors and officers to how scrutiny works in Moray Council. It is divided into nine parts:

1. What is scrutiny?
2. An overview of council scrutiny
3. External scrutiny
4. Internal scrutiny
5. Scrutiny by councillors through the committee process
6. Scrutiny by councillors outside the committee process
7. The role of the Audit and Scrutiny Committee
8. Principles of good scrutiny for councillors
9. Scrutiny tools and techniques for councillors

## **1. What is scrutiny?**

1.1 The Council raises and is allocated a significant amount of public money to deliver services for the public. Effective scrutiny helps the Council demonstrate that this money is being spent wisely and accountably and that it is continually seeking to improve the services it provides to the public.

1.2 Scrutiny arrangements in Scottish local authorities are not covered by statute but are a matter for each local authority to determine.

1.3 The following extracts from the Improvement Service [Scrutiny Notebook](#) are useful:

***The overall objective of scrutiny is improvement. There is an unremitting demand upon council services to deliver real improvements to their communities, customers or users.***

***Scrutiny should be more than a process of enquiry. It is a vital component of good governance and improves councils' decision-making, service provision and cost-effectiveness.***

## **2. An overview of council scrutiny**

2.1 The following diagram shows the ways in which Council policies, actions and decisions can be scrutinised, both externally and internally.

# SCRUTINY

## OF THE COUNCIL AND ITS DECISIONS



### **3. External scrutiny**

3.1 This diagram shows that, as well as being accountable to a number of external regulatory bodies, the Council are directly accountable to the public in a number of ways.

### **4. Internal scrutiny**

4.1 The wide range of Council functions and the decisions required to keep these functions operating are delegated to committees (made up of councillors) and to officers. It helps to look at the different, but complementary role of councillors and officers:

**Councillors** set strategy, review resources, performance and risk through Council and Committee meetings. They are accountable to the electorate

**Officers** keep services running, implement policies/decisions and provide options to the Council and its committees for decisions to be made. They are accountable to the Council and its committees.

### **5. Scrutiny by councillors through the committee process**

5.1 Most Council functions are delegated to committees which meet regularly to consider policy, budget and performance information for the services within the remit of that committee. The Council's current committee structure, as detailed in its Scheme of Administration, can be found on the following [webpage](#). [link to be inserted]

***Scrutiny is every councillor's job. It helps ensure that the Council remains transparent, accountable and open, resulting in improved public policies and services.***

***Council and committee meetings provide the primary means for councillors to carry out their scrutiny role.***

5.3 Through debate and questioning at committee councillors can query and seek assurances on:

- Budget and financial information
- Progress against plans and policies
- Service performance
- Complaints

5.4 Councillors can request further action in areas where the need for improvement action is needed:

- Further evidence, consultation, investigations facts or reports
- Closer monitoring and reporting of areas of concern

- Escalation of areas of concern

Options for “delving deeper” are explored in more detail in paragraph 9 below.

5.5 Council decisions are taken by majority vote and situations may arise where a minority group of councillors feel that they have not received adequate assurances in relation to an area of concern. The Council’s **Standing Orders** make provision for councillors to seek further scrutiny on any topic by

- Seeking **clarification** on minutes of prior meetings
- Raising a **Notice of Motion**
- Submitting a **Written Question** to the committee chair which is answered in public session.
- Asking a verbal question during **Question Time** at a committee meeting.

## **6. Scrutiny by councillors outside the committee process**

6.1 There are a number of other ways in which councillors can seek assurances outside of a formal meeting:

- Informal questions to officers: Officers are generally available to answer questions raised by councillors. This provides an informal means of scrutiny and can save escalation of issues.
- Briefings to councillors. Briefings can be a useful way for information to be presented to councillors on complex issues. Councillors have the opportunity to ask questions of officers and explore options.
- Policy development meetings with officers and senior councillors.
- Project boards and working groups.

## **7. Additional scrutiny through the role of the Audit and Scrutiny Committee**

7.1 The role of the scrutiny function of the Audit and Scrutiny committee is to facilitate additional scrutiny that does not duplicate scrutiny carried out by other means.

7.2 Whilst the Chair of the Audit and Scrutiny committee has traditionally been nominated by the largest non-administration group, the role of chair and of the committee should be non-political and focused on improvement.

7.3 The role of the committee is defined in the Council’s Scheme of Administration as:

***To scrutinise areas of policy, service delivery or performance identified for improvement in:***

*(i) internal and external audit reports where sufficient evidence of progress from the appropriate committee is not available;*

*(ii) reports or findings from external regulators where sufficient evidence of progress from the appropriate committee is not available.*

*To receive reports on the performance of and trends within the Council's services as a whole in terms of the Local Government Benchmarking Framework.*

## **8. Principles of good scrutiny for councillors**

### **8.1 The four principles of good scrutiny per the Improvement Service are:**

- To provide 'critical friend' challenge to council services as well as to external authorities and agencies;
- To reflect the voice and concerns of the public and communities;
- To lead and own the scrutiny process;
- To make an impact on the delivery and improvement of public services.

### **8.2 Scrutiny in context**

Best practice guidance highlights that:

- In a climate of reducing resources the importance of scrutiny has never been greater.
- The principal power of a scrutiny committee is to influence the decisions and policies of the council and other organisations involved in delivering of public services.
- For scrutiny to be effective, it must be seen as an investment in improvement, which requires it to be targeted, proportionate and effective from a cost benefit perspective.

### **8.3 Effective Scrutiny**

Whilst debate can focus on politics, it is important for effective scrutiny that:

- The focus is not on negatives or apportioning blame, but is a genuine endeavour to improve service delivery;
- An objectivity is displayed that is likely to encourage the political administration to acknowledge and accept points arising from scrutiny activity;
- There is a willingness from all party groups and individuals to make scrutiny work effectively; otherwise the reviews are unlikely to add value.

Good scrutiny can involve the public in certain situations; however the rationale for doing so would be predicated on the expected outcomes from any review taking

place. This would include consideration of the capacity of the council in terms of its governance and risk framework to take forward recommendations likely to arise from the scrutiny process and the costs of resourcing any consultation or engagement activity.

## **9. Tools and Techniques for scrutiny**

9.1 Carrying out effective scrutiny requires a number of skills. In particular, there is a need for members of the Committee to undertake useful questioning when undertaking any of the responsibilities delegated by the Council. There is also a need to understand and, where appropriate, challenge the performance data that is presented to the Committee.

9.2 This section of the guide provides some of the tools and techniques that can be useful in delivering good scrutiny across the range of functions of the Council.

### **9.3 Questioning and Listening Techniques**

#### ***(i) Why are questions important?***

Detail from officers/consultees is often the most valuable source of information. The right questions are the most effective way to get the information you want in a way that you understand. Questioning is not about winning the debate but establishing the facts. A good question will:

- Establish validity of key data
- Seek clarification
- Seek further evidence
- Explore ideas
- Question assumptions
- Challenge facts or opinion

#### ***(ii) Open Questions***

Open questions allow the respondent to inform the questioner about a situation in their own words. This gives the committee an opportunity to listen, process the response and take note of any gaps or concerns that could be crucial to the review.

An example of an open question would be:

“What are your thoughts regarding the provision of youth facilities?”

#### ***(iii) Probing Questions***

One of the most important questioning techniques for those undertaking scrutiny is the probing method. Probing questions are used to obtain further information from a respondent. For example:

Respondent: Our performance is the best in Scotland.

Questioner: "You said that our performance is the best in Scotland. How do you know? How is that measured?"

#### ***(iv) Follow Up Questions***

Follow up questions are needed if there are inconsistencies, questions not answered, answers not clear or insufficient detail. Those asking questions need to be persistent and pursue the answers they are looking for. For example:

Respondent: We benchmark with the other 31 Scottish Councils on a set of performance indicators and Audit Scotland has ranked us the best in Scotland.

Questioner: How have you achieved this?

Respondent: Our success is due to the staff involved.

Questioner: Can you explain in more detail how our staff have achieved this success?

#### ***(v) Closed Questions***

Closed questions are answered yes or no and are used to verify the situation.

Questioner: So you are saying that staff training has led to the improvement in performance?

Respondent: Yes

#### ***(vi) Good Practice in Questioning***

There is a difference between holding to account and helping to improve. A questioner will focus on points of interest and ask more about any gaps in the information. Body language and tone also make a difference. Identify the questions in advance to:

- Ensure that you know what information you want.
- Help to explain what you are trying to get at.
- Address issues that members and the public are really concerned about
- Ensure the correct person is there to deal with the questions
- Focus on helping to improve as well as holding to account
- Question like a 'critical friend'

#### ***(vii) Bad Practice in Questioning***

It is possible to ask questions that have an adverse effect on how the respondent will answer:

- Leading questions – force the respondent to answer in a certain way

- Multiple questions – confuse the respondent
- Hypothetical questions – if so unlikely to happen, why ask?
- Unfocused, broad questions – difficult to answer
- Discriminatory or offensive questions

### ***(viii) Active Listening***

We listen to obtain information, understand and learn. Research suggests that we remember between 25-50% of what we hear. In a ten minute conversation, most people will only 2.5 to 5 minutes of the conversation. Therefore:

- Focus on any introductory remarks
- Show that you are listening
- Provide feedback and check your understanding of points
- Avoid making a judgement too quickly
- Respond appropriately

## **9.4 Making Sense of Performance Data**

### ***(i) Typical Features of a Performance Report***

A typical performance report at the Council contains some common features:

- Area of performance being measured – eg education, economy, environment
- Number of performance indicators – the number used will depend on the area being reported with increasing emphasis being placed on a few key indicators.
- Target for each performance indicator – targets may be set by the Service, Partnership, nationally
- Trend information over a defined period – the Council tends to look at performance over a three year period
- Overall result for each performance indicator – often we use arrows to illustrate trends

### ***(ii) What do the statistics tell us?***

- Are we improving? Look at the trend information, what's happened over the last three years?
- Are we on track to reach our targets? Are the targets that have been set reasonable? Have we achieved what we set out to achieve? Performance trend and achievement of target are separate issues.
- Do we understand why we are performing at the current level and what is being done to improve? Is there an adequate explanation?



### ***(iii) Challenging Service Analysis***

Committee members will not necessarily be experts in all areas. There will be occasions when it is reasonable to ask questions about what Services have said. For example (data for illustration only):

<b>Performance Area</b>	<b>Relevant Indicator</b>	<b>Target 2017/18</b>	<b>Performance Data and Trend</b>		<b>Comments</b>	<b>Target 2018/19</b>
Waste collection	% of household waste collected on due date	90%	2015/16 – 80% 2016/17 – 82% 2017/18 – 83%	↑	We will continue to improve.	95%

- Do we agree that performance is improving? Over the last three years, we have improved by 3%. Is this a significant improvement?
- We have not reached our target for 2017/18. Was this ever achievable? Why is it set so high? Past performance suggests that 90% is not a realistic target. Why have we increased it to 95% for 2018/19?
- Is the comment adequate to explain why we are achieving current levels of performance? Do we know what real action is being taken to improve our performance in this area?
- Is this indicator alone enough to tell us how we are performing in the area of waste collection. What else do we need to know?

### **Further Information**

#### ***Useful Web Links***

The Centre for Public Scrutiny <http://www.cfps.org.uk>

The Improvement Services <http://www.improvementservice.org.uk>

Scottish Government <http://www.scotland.gov.uk>

Audit Scotland <http://www.audit-scotland.gov.uk/scrutiny>