AGENDA

AUDIT AND GOVERNANCE COMMITTEE

Tuesday 29 March 2016 at 6.00 pm
Council Chamber, Town Hall, Royal Tunbridge Wells, TN1 1RS

Borough Council Representatives: Councillors Horwood (Chairman), Dawlings (Vice-Chairman), Chapelard, Hamilton, Moore, Nuttall, Ms Palmer and Scott

Independent Members: Hedges, Hough, Quigley and Shiels

Parish/Town Council Representatives: Councillors Coleman and Mackenzie

Quorum: 3 Members, to include at least one independent member

1 Apologies for Absence
Apologies for absence as reported at the meeting.

2 Declarations of Interest
To receive any declarations of interest by Members in items on the agenda.

For any advice on declarations of interest, please contact the Monitoring Officer.

3 Notification of Visiting Members wishing to speak (in accordance with Council Procedure Rule 18):
Members should indicate which item(s) they wish to speak on and the nature of their concern/question/request for clarification.

4 Minutes of the meeting of the Audit and Governance Committee dated 8 December 2015 (Pages 1 - 6)

5 Report of Monitoring Officer
(A) Update on Member Complaints (Pages 7 - 10)
(B) *Proposed changes to the Constitution (Planning Committee and its membership and procedure rules) as recommended by the Constitutional Review Working Party (Pages 11 - 36)
(C) *Proposed changes to the Constitution (Planning Scheme of Delegation) as recommended by the Constitutional Review Working Party (Pages 37 - 74)

6 Reports of Director of Finance and Corporate Services (s151 Officer)
(A) Internal Audit Plan 2016/17 (Pages 75 - 98)
(B) Audit Charter 2016/17 (Pages 99 - 124)
(C) Data Protection Update (Pages 125 - 128)
7  Future Work Programme 2016 (Pages 171 - 172)

8  Date of Next Meeting - 28 June 2016 at 6pm

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**Notes on Procedure**

(1) A list of background papers appears at the end of each report, where appropriate, pursuant to the Local Government Act 1972, section 100D(i).

(2) Items marked * will be the subject of recommendations by the Committee to Full Council; in the case of other items, Cabinet may make the decision, subject to call-in (Overview and Scrutiny Procedure Rule 12).

(3) Members seeking factual information about agenda items are requested to contact the appropriate Service Manager prior to the meeting.

(4) Members of the public and other stakeholders are required to register with the Democratic Services Officer if they wish to speak on an agenda item at a meeting. Places are limited to a maximum of four speakers per item. The deadline for registering to speak is 4.00 pm the last working day before the meeting. Each speaker will be given a maximum of 3 minutes to address the Committee.

(5) Please note that this meeting may be recorded or filmed by the Council for administrative purposes. Any other third party may also record or film meetings, unless exempt or confidential information is being considered, but are requested as a courtesy to others to give notice of this to the Democratic Services Officer before the meeting. The Council is not liable for any third party recordings.

Further details are available on the website (www.tunbridgewells.gov.uk) or from Democratic Services.

◊ If you require this information in another format, please contact us on 01892 526121

◊ Accessibility into and within the Town Hall - In response to the requirements of the Disability Discrimination Act 1995, the Council has provided the following features to overcome physical barriers to access.

There is a wheelchair accessible lift by the main staircase, giving access to the first floor where the committee rooms are situated. There are a few steps leading to the Council Chamber itself but there is a platform chairlift in the foyer.

◊ Hearing Loop System - The Council Chamber and all the Committee Rooms have been equipped with hearing induction loop systems. The Council Chamber also has a fully equipped audio-visual system.
AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 8 December 2015

Present: Councillor Len Horwood (Chairman)
Borough Council Representatives: Dawlings (Vice-Chairman), Chapelard, Hamilton, Moore, Nuttall, Ms Palmer, and Scott
Independent Members: Mr Hedges, Mr Quigley and Mr Shiels
Parish/Town Council Representatives: Councillor Coleman

Officers in Attendance: Rich Clarke (Head of Audit Partnership (Mid Kent Audit)), Lee Colyer (Director of Finance and Corporate Services (Section 151 Officer)), Emily Metcalf (Democratic Services Officer), John Scarborough (Head of Legal Partnership), Frankie Smith (Audit Manager, Mid Kent Audit Partnership) and Darren Wells (Director, Grant Thornton)

APOLOGIES FOR ABSENCE

AG25/15 Apologies for absence were received from Independent Member Hough and from Parish Councillor Mackenzie.

DECLARATIONS OF INTEREST

AG26/15 No declarations of interest were received.

NOTIFICATION OF VISITING MEMBERS WISHING TO SPEAK (IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 18):

AG27/15 No notifications of any visiting members wishing to speak had been received.

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 22 SEPTEMBER 2015

AG28/15 The minutes of the meeting of the Audit and Governance Committee dated 22 September 2015 were submitted.

Independent Member Mr Quigley asked whether, concerning member complaints and the issues involved in the process as raised in the last meeting, a small group could be formed to examine the process and make it quicker and fairer. Mr Scarborough, Head of Legal Partnership, said that he would be happy to have an informal discussion with a small group from the Audit and Governance Committee over complaint procedures.

The Chairman, Councillor Horwood, wished to point out that the current procedures followed strict legislation, and had to be cost-effective too, which meant that more administrative input, for example, may not be the best solution. Mr Quigley argued that having an external perspective on the procedure could make it less onerous and expensive. Mr Scarborough confirmed that he would be happy to discuss the procedures.

RESOLVED:

That the minutes of the Audit and Governance Committee dated 22 September 2015 be approved as a correct record.
UPDATE ON MEMBER COMPLAINTS

AG29/15 Mr Scarborough, Head of Legal Partnership, presented the Update on Member Complaints report. He said that there was one outstanding complaint from the last meeting, and that no breach of conduct had been found on this occasion.

Mr Scarborough then said that since the last meeting, three new complaints had been received. He said that the first complaint would not be pursued without a response, which he had not yet received. He then said that he had carried out an assessment of the second complaint with the new Independent Person, but that no breach had been found. Regarding the third complaint, Mr Scarborough said that he wrote to the complainant and had recently received a response, which he would be assessing in detail in the week following the meeting.

RESOLVED:

That the update on complaints received under the Member’s Code of Conduct be noted.

INTERIM INTERNAL AUDIT REPORT

AG30/15 Mr Clarke, Head of Audit Partnership, presented the Interim Internal Audit Report for 2015/16. He said that he would report to Members about how to implement new decisions in the new year, and wished to thank Members for their help.

He highlighted that two areas were assessed as weak: data protection and declarations of interests regarding officers. He said that the Council had worked with the legal services to have new procedures put in place by the new year, which would then lead to the decision of whether or not to upgrade the assurance ratings.

Independent Member Mr Quigley said that the report was reassuring, but that the absence of attempts to carry out fraud was not the same as succeeding in thwarting the attempts. Mr Clarke responded that there had been no serious successful attempts, and that attempts would not be successful at the Council unless its controls failed further down the line, such as through human error.

Independent Member Mr Hedges noted that data protection was weak, but said that actions had not been carried out to address this, and asked when this would happen. Mr Clarke replied that three out of four of the actions would be completed by 31 December 2015, and one by 30 May 2016, adding that they would revisit the assurance rating in January/February 2016 if these actions were successful.

Mr Hedges asked whether these dates were acceptable, and whether the actions were likely to be achieved by 31 December. Mr Clarke replied that he was confident these would be successful, especially as some of them had already been undertaken.

Mr Colyer said that he was now responsible for data protection, and that the report did not identify that data protection had failed, only that it needed
improvement. He said that issues had already been addressed through raising awareness amongst staff of what a breach was, capturing all breaches, and ensuring that staff reported breaches to improve the process. He added that an officer from each team, with members from the legal and IT departments too, came together on a regular basis to tackle issues and strengthen protection.

Mr Hedges claimed that this was very reassuring, and asked about staff training. Mr Colyer confirmed that the Council did need to improve training, but had already been proactive in circulating breach guidance to all staff. Mr Hedges asked whether staff underwent certification, to which Mr Colyer said that they used to, but that the Council was currently working on improving awareness until a new training contract was found, as the previous one had recently expired. He said that they could learn from the partnership authorities too.

Independent Member Mr Shiels asked how much reassurance there was that other members of the partnership treated information in the same way that Tunbridge Wells did. Mr Colyer replied that a key part of the Information Governance group was the MKIP IT team, which aided that function as many attacks were IT-based, and so this helped to ensure a shared response.

Councillor Hamilton wished to point out that she attended IT training in London as Chairman of Paddock Wood Town Council which made her realise how vital it was to keep on top of the training issue and ensure that the Council was up to date with the highest level of IT training. Mr Colyer reassured Councillor Hamilton that only last month they attended a meeting with SIROs across Kent, and were very aware of threats present, but had the benefit of access to government agencies, and of officers from different parts of the partnership meeting, to help protect the Council and get support.

Parish Councillor Coleman asked what the interim conclusion of the gateway report was. Mr Clarke said that it did not fall into the usual assurance category, based on the brief, but that the joint Cabinet meeting based in Maidstone at the beginning of October led to the conclusion that the Council was sufficiently justified to take the decision.

Mr Quigley wished to have assurance that the recently implemented removal device policy worked. Mr Clarke said that he did not have this information to hand, but would ensure that an update was released after the meeting.

Councillor Chapelard asked whether the reports on page 16 would go to other committees. Mr Clarke responded that full reports would be made available to officers, but he could supply them to Members on request.

**RESOLVED:**

That the Interim Internal Audit Report for 2015/16 be noted.

**ANNUAL AUDIT LETTER**

AG31/15  Mr Colyer, Director of Finance and Corporate Services, presented the Annual Audit Letter for 2014/5. He commented that the findings by Grant Thornton
were good, and provided a clean bill of health for the Council, demonstrating that their service was good value for money and the correct procedure was in place.

Independent Member Mr Hedges asked whether there was a fee on top of the audit fee for Tunbridge Wells Borough Council for the Mid-Kent Partnership. Mr Colyer replied that the audit fee covered all work on the financial statement, so where Mid Kent Audit undertook work on Tunbridge Wells Borough Council systems, this was already accounted for.

Councillor Chapelard pointed out that a senior member of the Local Government Association had said that it was hard to prove that local authorities were offering good value for money, and asked how the Council could make sure that they were doing so. Mr Wells replied that auditors had been charged to date to focus on financial resilience, but now it was more about value for money, which encompassed using resources sustainably and working appropriately with stakeholders.

RESOLVED:

That the Annual Audit Letter be considered and approved.

EXTERNAL AUDIT PROGRESS REPORT

AG32/15 Mr Wells presented the External Audit Progress Report to the committee, outlining an update from Grant Thornton on the progress of their work.

RESOLVED:

That the External Audit Progress Report be noted.

CERTIFICATION OF GRANT CLAIMS

AG33/15 Mr Colyer presented a report regarding the Certification of Grant Claims in 2014/15. He commented that the Council were managing errors well, as they were very minor.

The Chairman, Councillor Horwood, wished to thank the audit and benefits staff for their work in this matter.

RESOLVED:

That the certification work report be noted.

APPOINTMENT OF INDEPENDENT MEMBER TO THE CONSTITUTION REVIEW WORKING PARTY

AG34/15 The Chairman, Councillor Horwood, announced to the committee the requirement of an appointment of an Independent Member to the Constitution Review Working Party.

He stated that the previous Chairman, Mr Max Lewis, was confident and competent in his role, and he wished to thank him, but as his term had come to an end, a new chairman had to be appointed. Councillor Horwood added that he would ideally like someone who had been serving for a long time on
the committee to volunteer for the position.

Mr Quigley volunteered, and Councillor Horwood put the appointment to the committee.

RESOLVED:

That Independent Member Mr Quigley be appointed as Chairman of the Constitution Review Working Party.

FUTURE WORK PROGRAMME 2015-2016

AG35/15 The Committee’s work programme was presented for members’ information.

Mr Quigley said that members should have the opportunity to speak to the owners of strategic risks at meetings. Councillor Horwood and Mr Colyer confirmed that this could be arranged for future meetings.

RESOLVED:

That, with the addition of the attendance of strategic risk owners at every meeting, the work programme be noted.

NOTE: The meeting concluded at 6.50 pm.
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Update on Complaints received under the Members’ Code of Conduct

This report makes the following recommendations to the final decision-maker:
1. That Members note the update on complaints received under the Members’ Code of Conduct.

This report relates to the following Five Year Plan Key Objectives:
- A Prosperous Borough
- A Green Borough
- A Confident Borough

The report supports the Council’s commitment to probity in all our affairs as well as the values of openness and responsibility.

Timetable

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
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<tbody>
<tr>
<td>Audit &amp; Governance Committee</td>
<td>29 March 2016</td>
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</table>
1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report provides an update on complaints received under the Members’ Code of Conduct in the period ending on 10 March 2016.

2. INTRODUCTION AND BACKGROUND

2.1 The current Members’ Code of Conduct (“the Kent Code”) for Tunbridge Wells Borough Council was adopted by the Borough Council on 18 July 2012. It was a requirement under the Localism Act 2011 that all Councils adopt a Code of Conduct and that the Code adopted must be based upon the Nolan Principles of Conduct in Public Life.

2.2 At the same Full Council meeting the Tunbridge Wells Borough Council also adopted arrangements for dealing with complaints (“the Kent Procedures”) made under the Code of Conduct in the Tunbridge Wells area. The current version of the Kent Procedures can be found on the Council’s website.

2.3 The same Localism Act 2011 requirement to adopt a Code of Conduct also applied to all the Parish and Town Councils in the Tunbridge Wells area. Therefore at around the same time, i.e. July 2012, all the Parish and Town Councils in the Tunbridge Wells area also adopted a Code of Conduct.

2.4 All the Parish and Town Councils in the Tunbridge Wells area adopted the same ‘Kent Code’ (apart from Paddock Wood Town Council) which had been agreed across Kent and was indeed adopted by the County Council, most of the District Councils and most of the Parish and Town Councils in Kent. Paddock Wood Town Council adopted the NALC (National Association of Local Councils) Code of Conduct.

2.5 Under the Localism Act 2011 Tunbridge Wells Borough Council is responsible for dealing with any complaints made under the Members’ Codes of Conduct throughout the Tunbridge Wells area. Thus the Borough Council is responsible for dealing with any complaints affecting Members of, not only the Borough Council, but also all the Parish and Town Councils in the Tunbridge Wells Borough.

2.6 The arrangements for dealing with complaints (“the Kent Procedures”) that were adopted by the Borough Council therefore also apply in cases concerning Parish and Town Councils.

2.7 The Borough Council have resolved that oversight of the Kent Procedures falls under the Audit and Governance Committee.
3. UPDATE ON COMPLAINTS RECEIVED

3.1 The Monitoring Officer provides an update to the Audit and Governance Committee upon complaints received at each meeting. The update is set out so that the names of the complainant and the Member complained about are both kept confidential. The reason for this is that the Localism Act 2011 repealed the previous statutory process for dealing with complaints whereby decisions including names would be published. In the absence of that statutory process, complaints must be dealt with in accordance with the Data Protection Act which means such data must be kept confidential.

3.1.1 Since the meeting of the Audit and Governance Committee on 8 December 2015, no new complaints have been received. There were three outstanding complaints at the last meeting and the updated position is as follows.

3.1.2 Complaint 1 – The Monitoring Officer had written to the complainant requesting further details relating to the allegations. Despite a number of telephone and written chasers, no further contact was made by the complainant. Despite the imposition of a final deadline, no further contact was received and so the complaint has been closed.

3.1.3 Complaint 2 – Following the receipt of additional information, the Monitoring Officer carried out an initial assessment of the complaint in consultation with the Independent Person. It was concluded that there was no evidence whatsoever to support the allegations made and that no further action would be taken.

3.1.4 Complaint 3 – following receipt of the complaint, the Monitoring Officer had written to the complainant in order to seek clarification on certain issues. Once this was received, it was also necessary to obtain the Subject Member’s initial response on the allegations and seek additional information from the relevant Council. On 29 February, the Monitoring Officer was notified that the Subject Member had resigned and so in accordance with Kent Procedures, the complaint has been closed.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 That Members note the update on complaints received under the Members’ Code of Conduct.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 This report does not require further consultation as it is for information only.
6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 The Committee’s decision will be published in the minutes of this meeting on the Council’s website in due course.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
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<tbody>
<tr>
<td>Legal including Human Rights Act</td>
<td>It is a requirement under the Localism Act 2011 that all Councils adopt a Code of Conduct and that the Code adopted must be based upon the Nolan Principles of Conduct in Public Life. The Members’ Code of Conduct was adopted by Full Council on 18 July 2012 and can be found on the Council’s website.</td>
</tr>
<tr>
<td>Finance and other resources</td>
<td>If a complaint proceeds to investigation then it can be carried out by an external person. If this is the case, there will be a fee for whichever external person carries out the work.</td>
</tr>
<tr>
<td>Staffing establishment</td>
<td>No issues.</td>
</tr>
<tr>
<td>Risk management</td>
<td>An effective complaints system is part of an effective system of governance.</td>
</tr>
<tr>
<td>Environment and sustainability</td>
<td>There are no relevant issues identified within this report.</td>
</tr>
<tr>
<td>Community safety</td>
<td>There are no relevant issues identified within this report.</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>There are no relevant issues identified within this report.</td>
</tr>
<tr>
<td>Health and wellbeing</td>
<td>There are no relevant issues identified within this report.</td>
</tr>
<tr>
<td>Equalities</td>
<td>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.</td>
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8. REPORT APPENDICES

None

9. BACKGROUND PAPERS

None
Is the final decision on the recommendations in this report to be made at this meeting? | No

*Proposed changes to the Constitution (Planning Committee membership & procedure rules) as recommended by the Constitutional Review Working Party*

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**Final Decision-Maker** | Full Council
---|---
**Portfolio Holder(s)** | The Leader, Councillor Jukes, and Councillor McDermott
**Lead Director** | Jonathan MacDonald
**Head of Service** | Jane Lynch
**Lead Officer/Report Author** | Jane Lynch
**Classification** | Non-exempt
**Wards affected** | All

This report makes the following recommendations to the final decision-maker:

1. That the amendments to the Constitution set out in this report be agreed and recommended to Full Council.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough – by encouraging future growth and investment, progressing the Local development Plan and working with developers to secure suitable development schemes
- A Confident Borough – ensuring robust decision making processes for planning applications are in place such that all relevant matters are properly and thoroughly considered.

**Timetables**

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
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<tbody>
<tr>
<td>Discussion with Portfolio Holder &amp; Director of Planning &amp; Development</td>
<td>18 December 2015</td>
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<tr>
<td>Discussion with Leader &amp; Portfolio Holder</td>
<td>14 January 2016</td>
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<tr>
<td>Audit and Governance Committee</td>
<td>29 March 2016</td>
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*Proposed changes to the Constitution (Planning Committee membership & procedure rules) as recommended by the Constitutional Review Working Party*

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 Under the Tunbridge Wells Borough Council Constitution, the Audit and Governance Committee is responsible for “oversight of the effectiveness of the constitution and making appropriate recommendations for change”. The Constitutional Review Working Party (“the CRWP”) meets regularly to review the Constitution.

1.2 The CRWP has recently reviewed elements of the Constitution at the request of officers (acting on instructions from the Portfolio Holder for Planning and Transportation on proposed changes 1, 2 and 3 as set out below) and supports the recommended changes as revised and set out in this report.

1.3 The Council has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

2. INTRODUCTION AND BACKGROUND

2.1 Six changes to the Constitution were proposed and put to the CRWP. All relate to the Planning Committee and its membership and procedure rules. Three of the proposals were supported by the CRWP entirely, two with amended wording and the remaining proposal was not supported.

2.2 The proposals were circulated to all Members in advance of the meeting of CRWP which was held on 19 February 2016 and were discussed at the Conservative Group meeting held on 18 February 2016. Comments received, as well as those made at the Group meeting, were considered by the CRWP and informed their recommendations.

2.3 The proposed changes are set out in detail below along with the comments received from members, the outcome of the CRWP and in the revised form where alteration was recommended by CRWP. The recommendations for consideration at this meeting, revised where necessary, are highlighted in bold under each heading.

2.4 To show the proposed changes as revised following CRWP, two versions of extracts from the Constitution are attached to this report. One has tracked changes (Appendix A) and the other is a clean version (Appendix B).

The Proposed Changes

2.5 Proposed Change 1 as presented to the CRWP: Amendments to paragraph 4 Part 3 of the Constitution (November 2015) to reduce the number of Members on Planning Committee from 16 to 12 members of the Council, 6 being elected representatives of the wards in the eastern area and 6 being elected
representatives of the wards in the western area. Additionally it was proposed that there would be four substitute members who, subject to conditions, may attend meetings at the request of the Chairman or Vice-Chairman to take the place of the ordinary member for whom they are the designated substitute.

2.6 This proposal had arisen at the suggestion of the Portfolio Holder to provide greater efficiency and consistency in decision making. The Constitution in its current form (part 3 para. 4) allows for 16 members of the Council being elected representatives of the Planning Committee but there is no provision made for substitutes.

2.7 Concerns were raised by Members about the need for their communities to be represented on the committee and that any reduction in numbers would have a commensurate impact on the number of wards with representatives making planning decisions.

2.8 It is considered that the outcomes sought from this change would result in a tighter core of members leading to a reduced length of debate by eliminating repetitiveness and inclusion of non-planning matters of local concern, especially on the more contentious applications. Furthermore, through a reduction in the number of wards that could be represented with only 12 members of the Planning Committee, its role as a regulatory rather than representative function would be highlighted and enhanced thus making it easier for members to remain impartial when considering a contentious application within their wards and reducing the risk of decisions being made on parochial rather than planning grounds.

2.9 It should also be noted that no limit on the number of Members who can address the committee during the public speaking section for each application being considered by the Committee was proposed, so Members not on the Committee could put their views to the meeting without the constraints placed upon those being part of the decision making body. In terms of the robustness of decisions made and the risk of challenge arising from members of the committee raising non planning matters during debate and influencing the decision on these grounds, addressing the Committee as an elected ward representative during this part of the agenda is a safer and a more effective means of raising issues.

2.10 Concerns were also raised about the introduction of substitutes on the grounds that for substitute members to maintain the required level of knowledge, practical experience and training would be a challenge, especially in respect of ongoing frequent legislative changes, and that greater consistency in decision making was more likely if taken by the same group of people.

2.11 In discussion at CRWP, Cllr March advised that some members of Conservative Group and the public still thought along the line of urban and rural distinctions and the current mix of representatives from the urban and rural wards should be maintained. She put forward the view that a more gradual reduction in numbers would be more likely to be an acceptable compromise and suggested an initial reduction of two members with membership of the Committee maintaining a good geographical spread.

2.12 Accordingly CRWP agreed that the number of members on the Planning Committee be reduced from 16 to 14 with two substitutes and that wording be included to ensure a spread of members across the wards.

2.13 The change as now proposed is therefore worded as:

-Amendment to the number of Members on Planning Committee such that it comprises 14 members of the Council, seven being elected-
representatives of the wards in the eastern area and seven being elected representatives of the wards in the western area (eastern and western being defined in para 4.1, Part 3 of the Constitution). Except in exceptional circumstances there will be no more than one elected member from any one ward. There will be two substitute members who, subject to conditions may attend meetings at the request of the Chairman or Vice-Chairman to take the place of the ordinary member for whom they are the designated substitute.

2.14 CRWP agreed that the impact of the changes should be monitored over the forthcoming year with a further review to be undertaken early in 2017.

2.15 Proposed Change 2 as presented to the CRWP: A new requirement for inclusion in the Planning Committee procedure Rules as a new paragraph 2 (with subsequent re-numbering of the following paragraphs) that Members are expected to be in attendance for the duration of the meeting unless, in exceptional circumstances, the Chair agrees to the early departure of a Member from the meeting.

2.16 This proposal had arisen at the suggestion of the Portfolio Holder to achieve robust decision making and improved consistency in decisions.

2.17 This proposal also helps to avoid the public perception that members of the Committee were leaving the meeting early once key items had been considered and that the same level of attention was not being given to other applications under consideration. In turn this would avoid potential damage to the Council’s reputation as a sound decision maker.

2.18 Whilst the need for this new requirement has been questioned, it is considered that the inclusion of the proposal as a rule of procedure would carry greater weight and gravitas than such incidences being dealt with on an informal basis as it formally sets out the expectation that a member should attend for the whole meeting and that if they were unable to do so, they could ask for a substitute to be nominated to attend in their place.

2.19 This proposed change was agreed without change but again with the impact of the changes to be monitored over the forthcoming year and a further review to be undertaken early in 2017.

2.20 Proposed Change 3 as presented to the CRWP: Amendment to existing paragraph 2(iii), first bullet (new para. 3) under Planning Committee Procedure Rules. Reduction in the number of public speakers from four to three each for objection and support.

2.21 This proposal had arisen at the suggestion of the Portfolio Holder to provide greater efficiency and a reduction in repetitive and/or irrelevant representations.

2.22 The public have ample opportunity to submit their views and comments during the application process. When an application is heard at Committee, public speakers generally highlight previously made views and with four potential speakers each in support and objection this often leads to repetition.

2.23 No reduction was proposed as far as to the number of Parish/Town and Borough Councillors allowed to speak.

2.24 Concerns were raised that the need for efficiency does not outweigh the need for correctness of decision making from the public view point and that hearing more views enables a better decision to be made. The view of a number of members of Conservative Group was that the public perception would be that the proposal would stifle democracy by reducing the number of speakers.
Furthermore, the point was made at CRWP that only very limited time and cost savings would be achieved and accordingly CRWP recommended that this proposal not be taken forward. This recommendation has been heeded and the change is no longer proposed.

2.25 Proposed Change 4 as presented to the CRWP: Amendment to existing paragraph 2(iii), final point (proposed to be new para. 3) under Planning Committee Procedure Rules to clarify that Members may address questions of clarification to officers only (rather than speakers) at the conclusion of each representation.

2.26 The practice of members addressing questions directly to speakers ceased two years ago on the grounds that the practice raised potential legal challenge by virtue of speakers being given an unfair time advantage to express their views and that if an issue was raised by a speaker that required a response this should be provided by a planning officer. Whilst it may seem sensible to address questions to the speaker who has raised an issue it is difficult and inappropriate to challenge them about the veracity of their statements although to act upon it without questioning its authenticity could lead to an unsound decision. If Officers are unable to answer a question relating to a material planning matter, it would where appropriate be likely for consideration of the application to be deferred.

2.27 This proposed amendment is sought simply to support and clarify the current process. This does not override the Chairman’s prerogative to ask questions of speakers on occasions when there are simple questions of fact that could be clarified without risk.

2.28 CRWP supported recommendation of this proposal which has therefore been carried forward without change.

2.29 Proposed Change 5 as presented to the CRWP: New additional point under 2(iii), (proposed to be new para. 3) under Planning Committee Procedure Rules stating that if an application is deferred for any reason there will be no further opportunity for members of the public, Borough or Town/Parish Councillors to address the meeting unless there is a material change to the officer recommendation.

2.30 Concern on this proposal was raised based on the interpretation of the proposal as meaning that this applied to members of the committee. This is not the intention. The reference to Members was to those addressing the meeting under the public speaking part of the procedure rather than those who sit on the Committee.

2.31 This proposed amendment addresses the situation where an application is deferred at some point during its consideration – generally during the debate, should it become clear that there are matters raised that cannot be adequately addressed without, for example, the provision of further information or a site visit. In essence the proposal is that the consideration of the item be suspended at the point at which it is deferred. Thus, if public speaking has already been concluded and the item has reached or gone beyond part iv) as set out in the Constitution (see below), when the item comes back to a later meeting consideration will recommence at the stage at which it was deferred, albeit with an updated report and an overview presentation being made by Officers. Only if there is a material change to the officer recommendation (which would reflect
any significant new planning issue or circumstance that may have come to light) would the item be wholly reconsidered afresh.

2.32 In summary the procedure followed at committee and as set out in the Constitution is:

1. After the standing items the presentation of applications for the Committee’s consideration will be as follows:
   i) Chairman introduces item.
   ii) Officer presents the report on the application.
   iii) Previously registered speakers have three minutes to address the Committee in the following order:
       • Members of the public (objectors followed by supporters)
       • Parish/Town Council representatives
       • Borough or ward members who are not also Committee members
   iv) Officers to make any points of clarification or correction arising from the presentations made by members of the public, parish/town representatives or borough/ward members.
   v) Questions from any Committee member to officers.
   vi) Discussion of the application by Committee members.
   vii) Voting.

2.33 CRWP supported recommendation of this proposal, subject to the wording being clarified to address the above concern.

2.34 The revised recommendation is:

   **If an application is deferred for any reason to a subsequent Planning Committee meeting consideration of the item will recommence at the stage of the procedure at which it was deferred unless there is a material change to the officer recommendation in which case the full procedure will be followed.**

2.35 Proposed Change 6 as presented to the CRWP: A new paragraph 4 to the Planning Committee Procedure Rules introducing a “Planning Safeguard” whereby if Members propose to determine an application contrary to officer recommendation and both the Head of Planning Services and the Head of Legal Partnership, or their respective representatives, agree that the proposed reasons for the decision is not supported by sound planning reasons and that there is a significant likelihood of costs being awarded against the Council at any subsequent appeal, the decision of the Committee will be deferred to a subsequent meeting in order that officers may give further consideration to the issues raised by Members. At the subsequent meeting only Members who attended any site visit pre-arranged by officers will be permitted to ask questions, debate or vote and, as above under proposed amendment 5, there will be no further opportunity for members of the public or, Borough or Town/Parish Councillors to address the meeting unless there is a material change to the officer recommendation.

2.36 The purpose of this proposal is to protect the reputation of the Council and avoid costs resulting from appeals consequent upon Committee decisions made contrary to officer recommendation in situations where officers considered reasons for refusal would be unsustainable. The weight of public opinion at Committee meetings can put members under pressure and resulting committee decisions could be perverse and difficult to defend in planning terms. The risk is not just to the reputation of the Council but also risk of significant costs being awarded as a result of an unsustainable decision.
2.37 The proposal seeks to provide a cooling off period by deferring the final decision and any detailed reasons or conditions to a subsequent meeting. Following the process outlined under point 5 above would allow the application to be determined in a controlled fashion.

2.38 Many other Councils have a similar sort of review procedure although often this includes the decision being taken by Full Council rather than going back to the Planning Committee. The proposed preference for taking the decision back to the Planning Committee rather than to Full Council is based on it not being expedient or timely to provide the necessary planning training required under the Constitution to all members of the Council to enable them to make a sound decision and to avoid the potential for an appeal to be lodged on grounds of non-determination.

2.39 It is envisaged that an application deferred under these circumstances would generally be included on the following agenda.

2.40 CRWP supported recommendation of this proposal without any alteration although the wording of the last sentence needs to be changed to clarify the situation with regard to members of the Committee being able to debate as under change 5 above. The amended recommendation is therefore:

*If Members propose to determine an application contrary to officer recommendation and both the Head of Planning Services and the Head of Legal Partnership, or their respective representatives, agree that the proposed reasons for the decision is not supported by sound planning reasons and that there is a significant likelihood of costs being awarded against the Council at any subsequent appeal, the decision of the Committee will be deferred to a subsequent meeting in order that officers may give further consideration to the issues raised by Members. At the subsequent meeting only Members who attended any site visit pre-arranged by officers will be permitted to ask questions, debate or vote and, as above under proposed amendment 5, consideration of the item will recommence at the stage of the procedure at which it was deferred unless there is a material change to the officer recommendation in which case the full procedure will be followed.*

3. AVAILABLE OPTIONS

3.1 The issues and risks identified above need to be considered and addressed by the Council with agreed amendments being made to the Constitution to secure the improved practices and procedures.

**Do Nothing**

3.2 After consideration of the issues and risks, the Council could choose to do nothing and continue to operate Planning Committee on the same basis and in accordance with the same Rules. However, the potential impacts on the Council’s reputation as a decision maker and the attractiveness of the Borough for future development to meet the needs identified in adopted and emerging planning policy documents would remain at risk of being damaged; significant awards of costs against the Council may result and the soundness of decisions made will remain as open to challenge as they currently are. With the exception of the reduction in the number of Members elected to the Planning Committee, the proposed changes either reflect current practices or will only come into play
under specific circumstances which are expected to be occur very rarely. For these reasons, this option is not recommended.

3.3 Furthermore, the “do nothing” option would mean leaving the rules and procedures unchanged thereby potentially failing in the statutory duty to secure continuous improvement in the way in which its functions are exercised.

Options for Proposal 1

3.4 The number of members elected to the Committee could remain unchanged at 16 maintaining the status quo i.e. the “do nothing” option.

3.5 The reduction to 14 members could be agreed but the reintroduction of substitutes could be rejected to reflect the difficulties for the substitutes in keeping up to date with changes in planning legislation and in gaining the knowledge and experience necessary to make sound decisions.

Options for Proposal 2

3.6 By virtue of its nature the only options for this proposal are to accept or reject it.

Options for Proposal 3

3.7 This report does not recommend taking this proposal forward following the concerns raised by members and CRWP.

3.8 The option to agree it as set out remains.

Options for Proposal 4

3.9 To continue with the practice proposed but without changing the Constitution as set out above i.e. the “do nothing” option.

3.10 To agree to revert to the procedure as set out in the Constitution which allows for Members to ask questions of speakers. Attention is drawn to the risks of doing this as set out in paragraph 2.28.

Options for Proposal 5

3.11 By virtue of its nature the only options for this proposal are to accept or reject it.

Options for Proposal 6

3.12 If the principle of a “Planning Safeguard” is accepted, there is an option to do as some other Councils do and refer any item deferred under this clause to a different decision making body.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The Committee is asked to approve and recommend to Full Council the five proposed changes (1, 2, 4, 5 & 6) to the Constitution as set out above to avoid the identified potential issues that could arise from not doing so.

4.2 It is also recommended that the proposed arrangements be introduced for an initial period of 12 months so that the impact can be reviewed and analysed. If the anticipated benefits are found to result in improved, consistent decision making acceptable to all parties engaged in the process, consideration can be given to continuing the arrangements beyond the trial period.
5. **CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

5.1 The proposed changes were either proposed by the Portfolio Holder or have been discussed with him, the Leader and the Director of Planning and Development. The recommendations as proposed reflect the discussions held.

5.2 The proposals as originally drafted have been circulated to all Members and the comments received are summarised in the notes from the CRWP held on 19 February and at which all the proposed changes were challenged and discussed. This report follows the recommendations made at that meeting. The draft minutes form the meeting are attached as Appendix C.

6. **NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

6.1 The recommendations in this report, if agreed, will be progressed as set out in the Timetable on the front sheet.

6.2 If agreed by Full Council on 20 April 2016, the approved changes to the Constitution will be made.

7. **CROSS-CUTTING ISSUES AND IMPLICATIONS**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off (name of officer and date)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal</strong></td>
<td>The Council is required by the Local Government Act 2000 to have a constitution that is up to date and fit for purpose. The Council also has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness. Review of the Constitution demonstrates compliance with the requirements and duties.</td>
<td>Keith E Trowell Principal Lawyer and Deputy Monitoring Officer 09/03/16</td>
</tr>
<tr>
<td><strong>Human Rights Act</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td>There are no new financial implications.</td>
<td>Lee Colyer Director of Finance and Corporate Services (s151 Officer) 15/03/16</td>
</tr>
<tr>
<td><strong>and other resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equalities</strong></td>
<td>Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i)</td>
<td>Sarah Lavallie West Kent</td>
</tr>
</tbody>
</table>
8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: [Extract from part 3 of the Constitution (November 2015) - showing proposals as tracked changes]
- Appendix B: [Extract from part 3 of the Constitution (November 2015) – clean version]
- Appendix C: [Notes of Constitutional Review Working Party meeting held on Friday 19 February 2016]

9. BACKGROUND PAPERS

- The Tunbridge Wells Borough Council Constitution - December 2013 (as amended November 2015)
- Constitutional Review Working Party 19 February 2016 - Agenda Item 3: Proposed Changes to the Constitution
- Notes of Constitutional Review Working Party meeting held on Friday 19 February 2016
This page is intentionally left blank
Extract from Part 3 of the Constitution November 2015 (showing proposals as tracked changes)

4. PLANNING COMMITTEE

4.1 Wards within the eastern area of the Borough:
Hawkhurst & Sandhurst; Brenchley & Horsmonden; Benenden & Cranbrook; Goudhurst & Lamberhurst; Frittenden & Sissinghurst; Capel; Pembury, Paddock Wood (East) and Paddock Wood (West).

4.2 Wards within the western area of the Borough
Broadwater; Culverden; Pantiles & St. Mark's; Park; Sherwood; St. James'; St. John's; Southborough & High Brooms; Southborough North; Rusthall; and Speldhurst & Bidborough.

4.3 Membership: 16 members of the Council, 8 being elected representatives of the wards in the eastern area and 8 being elected representatives of the wards in the western area.

4.4 Quorum: 5 members

4.5 Chairmanship of the Planning Committee

At its Annual Meeting, Full Council will approve a Chairman and Vice-Chairman for the Planning Committee.

4.6 Substitute Members of the Planning Committee

4.6.1 At its Annual Meeting, Full Council will appoint two substitute members for the Planning Committee from the membership of the Council.

4.6.2 Substitute members may only attend meetings in that capacity at the request of the Chairman or Vice-Chairman to take the place of the ordinary member for whom they are the designated substitute where:

(a) the ordinary member will be absent for the whole of the meeting and has notified the Chairman or Vice-Chairman of their absence at least two working days before the date of the meeting

4.76 Functions

All functions relating to town and country planning and development control contained in Function A, Numbers 1-31, and Function I, Numbers 30A, 31, 32, 46 and 47, of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended to the full extent as set out in Article 2 thereof and generally in the Regulations which are set out for ease of reference in Section 6 of Part 3 of this Constitution, and any other development control or planning enforcement powers, including temporary stop notices (under S.171E of the Town and Country Planning Act 1990 (as amended)) and high hedges (under Part 8 of the Anti-Social Behaviour Act 2003).

4.87 Delegation of functions

Full extent, except where an application for planning permission would be required to be notified to the Secretary of State, under the criteria laid out in the Town and Country Planning (Development Plans and Consultation) (Departures) Directions 1999.
4.9 Terms of Reference and Working Arrangements for the Planning Committees

Members and substitute members must comply with the provisions of “The Protocol for Members taking part in the Planning Process” laid out at Part 56 in this Constitution.

4.9 Enforcement

The Scheme of Delegation to Officers at Annex C of this Part sets out the circumstances in which an enforcement decision may be delegated to officers.

Where the Planning Committee makes enforcement decisions the provisions of the Protocol apply, as for planning applications.

4.10 Performance Monitoring

The Planning Committee will receive for information reports on performance indicators/statistics for the Planning Team and enforcement activity across the borough.

4.11 Delegation of the Area Planning Committees’ Functions to Officers

The Scheme of Delegation to Officers at Annex C to Part 3 sets out the delegation of Planning Committee’s functions to officers.

PLANNING COMMITTEE PROCEDURE RULES

1. INTRODUCTION

1.1. These rules set out the Council’s arrangements for the Planning Committee where they differ from those set out in the rules applicable to Committees/Sub-Committee and Boards.

2. ATTENDANCE

2.1. Members are expected to be in attendance for the duration of the meeting unless there are exceptional circumstances which are agreed with the Chair.

23. PROCEDURE AT MEETINGS

23.1. After the standing items, including declarations of interests and lobbying, the presentation of applications for the Committee’s consideration will be carried out in accordance with the process laid out below:

i) Chairman introduces item.

ii) Officer presents the report on the application.

iii) Speakers, who have previously registered to do so, are invited to address the Committee for a maximum of three minutes each in the following order:

- Members of the public subject to a maximum of four objectors followed by a maximum of four supporters;
- Parish/Town Council representatives;
- Borough or ward members who are not also Committee members;
- Any member (whether a Committee member or not) who has a prejudicial interest and has exercised their right to speak under Section 12(2) of the Code of Conduct and who will be obliged to leave the meeting immediately thereafter.

Additional speakers will only be allowed exceptionally at the discretion of the Chairman.

Members may address questions of clarification to officers only (rather than speakers) at the conclusion of the representations. Members and officers may address questions of clarification only to each speaker at the conclusion of his/her presentation.

iv) Officers to make any points of clarification or correction arising from the presentations made by members of the public, parish/town representatives or borough/ward members.

v) Questions from any Committee member to officers.

vi) Discussion of the application by Committee members.

vii) Voting.

4. Deferral of Decisions

4.1 If an application is deferred for any reason to a subsequent Planning Committee meeting consideration of the item will recommence at the stage of the procedure at which it was deferred unless there is a material change to the officer recommendation in which case the full procedure detailed in clause 3 will be followed.

5. PLANNING SAFEGUARD

5.1 Where the Members propose to determine an application contrary to officer recommendation and both the Head of Planning Services and the Head of Legal Partnership, or their respective representatives, agree that the proposed reasons for the decision may not be supported by sound planning reasons and there is a significant likelihood of costs being awarded against the Council in the event of any subsequent appeal, the decision of the Committee will be deferred to a subsequent meeting in order that officers may give further consideration to the issues raised by Members.

5.2 Only Members who attended any site visit pre-arranged by officers will be permitted to ask questions, debate or vote at the subsequent meeting.
4.3. In accordance with paragraph 4, consideration of the item will recommence at the stage of the procedure at which it was deferred unless there is a material change to the officer recommendation in which case the procedure detailed in clause 4 will be followed from the start.
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• Parish/Town Council representatives;

• Borough or ward members who are not also Committee members;

• Any member (whether a Committee member or not) who has a prejudicial interest and has exercised their right to speak under Section 12(2) of the Code of Conduct and who will be obliged to leave the meeting immediately thereafter.

Additional speakers will only be allowed exceptionally at the discretion of the Chairman.

Members may address questions of clarification to officers only (rather than speakers) at the conclusion of the representations.

iv) Officers to make any points of clarification or correction arising from the presentations made by members of the public, parish/town representatives or borough/ward members.

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5.1 Where the Members propose to determine an application contrary to officer recommendation and both the Head of Planning Services and the Head of Legal Partnership, or their respective representatives, agree that the proposed reasons for the decision may not be supported by sound planning reasons and there is a significant likelihood of costs being awarded against the Council in the event of any subsequent appeal, the decision of the Committee will be deferred to a subsequent meeting in order that: officers may give further consideration to the issues raised by Members.

5.2 Only Members who attended any site visit pre-arranged by officers will be permitted to ask questions, debate or vote at the subsequent meeting.

5.3 In accordance with paragraph 4, consideration of the item will recommence at the stage of the procedure at which it was deferred unless there is a material change to the officer recommendation in which case the procedure detailed in rule 4 will be followed from the start.
CONSTITUTION REVIEW WORKING PARTY

Friday, 19 February 2016

Present: Mr Quigley (Chairman)
Councillors March and Munn

Officers in Attendance: Stephen Baughen, Development Manager, Cheryl Clark, Democratic Services Officer, Jane Lynch, Head of Planning Services, John Scarborough (Head of Legal Partnership) and Keith Trowell (Senior Lawyer and Deputy Monitoring Officer)

Other Members in Attendance: None.

APOLOGIES

1 Apologies for absence were recorded from Councillor Rankin

NOTES FROM THE LAST MEETING DATED 18 JUNE 2015

2 Members of the Working Party approved the notes of the last meeting dated 18 June 2015 as a correct record.

Matters arising were as follows:

i. Councillor Rankin had raised a query in Note 2 about the reasons for call in to Planning Committee. Her recollection was that they included more than just material planning considerations. Mr Trowell confirmed that since that meeting searches had been made through previous versions of the Constitution but no other details had been found.

ii. Mr Trowell advised that the recommended changes to the Planning Delegations agreed at the last meeting had been omitted from the subsequent Audit and Governance Committee in error and would be forwarded for approval at the forthcoming meeting in March 2016.

CONSTITUTION REVIEW WORKING PARTY - TERMS OF REFERENCE

3 The Terms of Reference were referred to by Mr Quigley as a matter of interest, this being his first meeting as Chairman of the Constitution Working Party. He noted that the role and function of the Working Party was to put forward recommendations for changes to the Constitution to the Audit and Governance Committee and subsequently to Full Council.

AMENDMENTS TO THE PLANNING COMMITTEE MEMBERSHIP AND RULES OF PROCEDURE

4 Mrs Lynch introduced the changes proposed as follows:

Proposed change 1. – The reduction to the number of members on the Planning Committee from 16 to 12, comprising 6 from wards in the designated eastern areas of the borough and 6 from wards in the western area of the borough, plus 4 substitutes.
This proposal had arisen at the suggestion of the Portfolio Holder to provide greater consistency in dealing with applications.

Although Councillor Rankin was not present, she had submitted comments and at the discretion of the Chairman, these had been circulated to the attendees. Although Councillor Rankin had no personal issue with reducing the numbers on the Planning Committee, she considered it was a controversial matter as many members felt strongly that their community ought to be represented. She thought the reasoning given for the proposal was thin and formulaic and the case needed to be put better.

Mr Quigley also questioned the rationale and Councillor Munn suggested that consistency was more likely to be obtained if the planning decisions were taken by the same group of people. In clarification of questions from Mr Quigley, Mrs Lynch explained that in making planning decisions, members of the Committee were not actually representing the views of their wards but were making decisions on behalf of the borough as a whole. Consequently, Mr Trowell advised, planning was a regulatory rather than a representative function.

Mr Trowell also explained that, although the eastern and western areas had historically been thought of as rural and urban respectively, the distinction was somewhat arbitrary with, for example, equally rural areas such as Speldhurst & Bidborough being allocated to the western area and urban areas of Paddock Wood in the eastern area. A more cohesive situation had been achieved in recent years through the amalgamation of the area committees into one overall Planning Committee.

Mr Trowell confirmed that there was currently no system of substitution in place, although historically there had been substitutes in Eastern and Western Area Committees in earlier versions of the Constitution.

Councillor Rankin had also suggested that it was not sufficient for Cabinet alone to back this proposal. She thought that unless it was supported by the majority of the main political group on the Council, it was unlikely to succeed. She advised that Councillor March should be able to report the views of the Conservative Group to the CRWP. Councillor March advised that some members of Conservative Group and indeed some members of the public still thought along the line of urban and rural distinctions. Overall, however, she thought that the Group would like to see a good mix of members on Planning Committee and she felt that a compromise might be reached through a more gradual reduction. She therefore thought that an initial reduction of 2 members would be more likely to be acceptable. Councillor Rankin’s email had also stressed that the membership of Planning Committee should ensure a comprehensive geographical spread. It was noted that the ward composition of both eastern and western areas were still clearly specified in the Constitution. In respect of numbers it was accepted that there were too many wards to have one member from each. Also members from some wards would not be feasible if Councillors were either unwilling or unable to sit on planning due to conflicting appointments.

In relation to the subject of substitutes Mrs Lynch stressed the importance of all members being trained and kept up to date in respect of frequent legislative changes. Councillor Munn was concerned that the knowledge of substitutes would be inconsistent with permanent Committee members. In his view, regardless of the availability of technical training, the most important
element was the practical experience gained by actually sitting on the committee, ascertaining the detailed facts of each application, assessing the arguments and making the decisions. Councillor March also agreed that experience came from attending planning meetings and considered it would be a problem if substitutes were not called on for months on end. Mrs Clark (the administrator for Planning Committee) recalled that in practical terms substitutes had infrequently been used in the past but Mr Trowell suggested that the system might work better in line with the proposed notice requirements and Mr Scarborough commented that substitutes were used in other areas. Mrs Lynch also suggested that if members of the CRWP wished they might recommend reduction of the number of committee members without the inclusion of substitutes. Mr Quigley asked what arrangements there were to monitor any transition and it was confirmed that the proposal was that the CRWP would review any changes after a period of one year.

Councillor March, having taken account of the views from Conservative Group the previous evening, suggested changing the proposal to reduce the number of members initially to 14 plus 2 substitutes, with the usage of substitutes to be monitored over the trial period of one year. Also additional wording should be added to ensure a spread of members across the Wards. This amended recommendation was agreed by members of the Working Party.

Proposed change 2. – A new requirement that members of the Planning Committee were expected to be in attendance for the duration of the meeting unless there were exceptional circumstances which were agreed with the Chairman.

Mrs Lynch and Mr Trowell explained that this was a new rule to be introduced to avoid public perception that members of the Committee were leaving the meeting early once key items had been considered and were not providing the same level of attention to other applications on the agenda.

Mr Quigley noted that while Councillor Rankin in her email had considered this proposal sensible, she had suggested that it would be more relevantly located within the protocols section of the Constitution. Councillor March also advised that Councillor Rankin had reiterated her views at the Conservative Group the previous evening. She had indicated that this proposal was unnecessary and it was more appropriate for the Leader to deal with members on this sort of matter.

Mr Trowell advised that the intention of including this wording on attendance as a rule of procedure was that it would carry greater weight and gravitas. Mr Scarborough added that it set out the expectation that a member would need to attend for the whole meeting and if they were unable to do so, they might therefore ask a substitute to attend in their place. It was noted that Councillor Rankin’s other point about not voting unless a member was present for the whole item was already covered in the protocol for members of the Planning Committee.

Councillor Munn ascertained that it was already noted in the minutes when members temporarily withdrew from a meeting during consideration of an application or indeed if they left the meeting early. Mrs Clark confirmed this was not an onerous matter to minute.

In summary, Mr Quigley considered that there was no problem with the
principle of this proposal. Councillor Munn had no objection and Councillor March thought it was sensible, providing it could be enforced. Mr Quigley obtained agreement that the proposal could be recommended, subject again to review after a year.

Proposed Change 3. – Reduction in the number of public speakers from four to three each for objection and support.

Mrs Lynch explained that the public had ample opportunity to submit their views and comments during the application process. By the time an application was heard at Committee, public speakers were largely only highlighting their previously made views and this could be repetitive. At this point in the process there ought not to be any new issues and if that were the case then it would be more appropriate to defer an application for the new issue to be fully considered in planning terms. Both Mr Trowell and Councillor Munn agreed speakers could be repetitive. Mrs Lynch confirmed no reduction was proposed as far as Parish and Borough Councillors were concerned.

Councillor Munn thought up to three speakers both for and against would be acceptable. Councillor March also thought this sounded reasonable but she advised there was a significant amount of opposition from some Conservative Group members who questioned the reasoning that it would ensure economic, consistent and efficient decision making. A number of Conservative Councillors considered that the public perception would be that the Council was trying to stifle democracy by reducing the number of speakers and she suggested that many of them would therefore vote against any such proposal further down the line.

Mr Quigley commented that it was clear from Councillor Rankin’s email that she did not support this proposal without more information on how often the maximum numbers of speakers registered and what cost savings could be achieved by reducing the numbers. Mr Quigley also failed to comprehend how in terms of the democratic process it could be considered worthwhile saving just 6 minutes when considering a planning application. Councillor Munn deferred to the weight of opinion conveyed by Councillor March and consequently no members of the Working Party were minded to recommend that this proposal be taken forward.

Proposed Change 4. – That members might address questions of clarification of officers only (rather than speakers) at the conclusion of the representations.

Mrs Lynch explained that this practice had ceased two years ago and the amendment to the wording was sought simply to support the current process.

Mr Quigley was not familiar with these particular procedures but Councillor Rankin in her email had suggested that if an officer were unable to answer a question then who better to ask than a person who had the information. Councillor March, however, acknowledged that it would be difficult to challenge or verify the view of a member of the public and she understood this proposal was generally supported. Mrs Lynch additionally explained that if an officer were unable to answer a question relating to a material planning matter, it would be likely grounds for consideration of the application to be deferred.
Members of the Working Party supported recommendation of this proposal.

**Proposed Change 6.** – Introduction of a “Planning Safeguard”. The Chairman agreed to take this item out of sequence.

Mrs Lynch advised the purpose of this proposal was to protect the reputation of the Council and avoid costs resulting from appeals consequent upon Committee decisions made contrary to officer recommendation, and where officers considered reasons for refusal would be difficult to sustain. She explained that the weight of public opinion at Committee meetings often put members under pressure and resulting committee decisions could be perverse and difficult to defend in planning terms. The risk was not just to the reputation of the Council but could result in significant costs being awarded as a result. This proposal was to provide a cooling off period by deferring the final decision and any detailed reasons or conditions to a subsequent meeting. Removing repeat public speaking in this case would allow the application to be determined in a controlled fashion. Mr Trowell confirmed that many other Councils had a similar sort of review procedure and Mr Quigley acknowledged the benefit of a “re-think”.

Mrs Lynch further explained the preference of taking the decision back to the Planning Committee rather than to Full Council as it would not be expedient or timely to provide the necessary planning training to all members of the Council. Councillor March confirmed that, in her view, there was no appetite to take this sort of decision at Full Council.

Members of the Working Party supported recommendation of this proposal.

**Proposed Change 5.** – Introduction of a new clause that when an application was deferred to a subsequent Planning Committee there would be no further opportunity for the public or other speakers to address the Committee again, unless there was a material change to the officer recommendation.

Councillor Rankin in her email had expressed concern that if a member had not spoken at the original meeting she did not think they should be precluded from speaking at the subsequent meeting. However, Councillor March thought this might be a misunderstanding and it might just be a matter of clarifying the wording of this recommendation.

The importance of attending officer arranged site visits was also discussed and although Councillor March thought no member should be allowed to take part in determining an application if they had not attended a site visit, Mrs Lynch clarified that this was not being proposed except for items being referred under the “Planning safeguard” condition. It was noted that other than public sites, informal site visits by members were discouraged.

Members of the Working Party supported recommendation of this proposal, subject to the wording being clarified that any speakers who had previously spoken on an application could only do so again if there was a material change to the officer recommendation.

**MINOR AMENDMENTS TO THE CONSTITUTION MADE UNDER THE MONITORING OFFICER’S DELEGATED POWERS**
AMENDMENT TO THE PETITION SCHEME

Mr Scarborough explained that this proposed change to the Constitution had already been signed and approved under his delegated powers as Monitoring Officer and was for information and noting only.

Members of the Working Party noted the change under delegated powers.

AOB AND DATE OF NEXT MEETING

There were no other matters of business.

The date of the next meeting was agreed to take place on Thursday 2 June at 10am.

Future agenda items for consideration would include:

- Overview & Scrutiny Procedure Rules
- Amendment to the Constitution relating to Plans and Strategies
- Officer Employment Rules
- Terms of Reference for General Purposes Committee
- Licensing Officer – Amendments to Scheme of Delegation

NOTE: The meeting concluded at 3.45 pm.
*Proposed changes to the Constitution (Planning Scheme of Delegation) as recommended by the Constitutional Review Working Party*

<table>
<thead>
<tr>
<th>Final Decision-Maker</th>
<th>Full Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Holder(s)</td>
<td>The Leader, Councillor Jukes, and Councillor McDermott</td>
</tr>
<tr>
<td>Lead Director</td>
<td>Jonathan MacDonald</td>
</tr>
<tr>
<td>Head of Service</td>
<td>Jane Lynch</td>
</tr>
<tr>
<td>Lead Officer/Report Author</td>
<td>Jane Lynch</td>
</tr>
<tr>
<td>Classification</td>
<td>Non-exempt</td>
</tr>
<tr>
<td>Wards affected</td>
<td>All</td>
</tr>
</tbody>
</table>

This report makes the following recommendations to the final decision-maker:

1. That the amendments to the Constitution set out in this report be agreed and recommended to Full Council.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough – by encouraging future growth and investment, progressing the Local development Plan and working with developers to secure suitable development schemes
- A Confident Borough – ensuring robust decision making processes for planning applications are in place such that all relevant matters are properly and thoroughly considered.

**Timetable**

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and Governance Committee</td>
<td>29 March 2016</td>
</tr>
<tr>
<td>Council</td>
<td>20 April 2016</td>
</tr>
</tbody>
</table>
1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 Under the Tunbridge Wells Borough Council Constitution, the Audit and Governance Committee is responsible for “oversight of the effectiveness of the constitution and making appropriate recommendations for change”. The Constitutional Review Working Party (“the CRWP”) meets regularly to review the Constitution.

1.2 The CRWP reviewed elements of the Constitution at their meeting on 18 June 2015 at the request of officers and supports the recommended changes set out in this report.

1.3 The Council has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

2. INTRODUCTION AND BACKGROUND

2.1 Several changes (14) to the Constitution were proposed and put to the CRWP. The main reason for the changes was that when the Constitution was redrafted in 2013, some of the revisions omitted wording that remained valid but also significantly increased the threshold for certain types of applications needing to be determined by the Planning Committee where the recommendation is for approval. This means that some significant proposals can be approved by officers under delegated powers (for example, the current proposals for extensions to the Royal Victoria Place Shopping Centre could currently be approved by officers) although the Head of Planning Service has used her referral power to ensure that such decisions are determined by the Planning Committee.

2.2 There have also been many changes to planning legislation and terminology in recent years, so the opportunity has been taken to bring references up to date.

2.3 The proposed changes were accepted without change by CRWP. The details and reason for each change are set out below.

2.4 To show the proposed changes, two versions of extracts from the Constitution are attached to this report. One has tracked changes (Appendix A) and the other is a clean version (Appendix B).

The Proposed Changes

2.5 All proposed changes are to Part 3 of the Constitution.

2.6 Proposed Change 1: Amendment to paragraph 43, page 4 which removes superfluous wording to ensure clarity.

2.7 Proposed Change 2: Additional wording added to para. 1.6 of Table 3 to ensure all relevant functions are covered.
2.8 Proposed Change 3: Changes to para. 8.1 on page 7. This paragraph relates to one of the incidences under which matters are not delegated to the Head of Planning for decision, this being when any Member of the Council requests that an application be determined by the Planning Committee and states the material planning grounds for doing so i.e. a “call-in”. The current wording allows Members to make such a request for “notifications” which are not planning applications but have a time constrained, legislative procedure associated with permitted development. Due to the limited timescales for the determination of notifications and the default position that if no decision is made by the due date, approval is automatically granted, it is recommended that the ability to call-in notifications is removed.

2.9 Proposed Change 4: To clarify and correct terminology in para.8.3 on page 8.

2.10 Proposed Change 5: Para. 8.3(b), page 8. To ensure that the most significant decisions for approval are taken by Members at the Planning Committee, it is proposed that the threshold set out in the Constitution to identify such applications be lowered from 5000 sq.m to 2000 sq.m. In practice, this is the criteria that is already being used with significant/contentious applications that fall below the current 5000 sq.m threshold being referred to the Planning Committee for decision where the recommendation is for approval.

2.11 Proposed Change 6: Para. 8.5, page 8. The proposal is to remove the reference to “notifications” for the same reason as that given under Change 3.

2.12 Proposed Changes 7 - 12: Paras.. 10 - 15, page 8. The proposed changes revert to the wording used in the previous scheme of delegation which is more accurately worded.

2.13 Proposed Change 13 & 14: Schedule 1, page 10 and Appendix to Table 3, page 13. Various updates made to reflect current, relevant Acts.

3. AVAILABLE OPTIONS

3.1 The proposed changes outlined above need to be considered by the Council to ensure that the Constitution is clear, accurate, up to date and provides certainty for all interacting with the Planning Service, but also to ensure that significant planning decisions are made at the right level and that the risk of development being allowed to go ahead by default is limited.

Do Nothing

3.2 After consideration of the issues raised, the Council could choose to do nothing and continue to operate in accordance with the Constitution as currently drafted. This would result in the current inaccuracies, potential for approvals to be made by default and decisions on significant planning proposals being made by officers remaining. Whilst the Head of Planning could continue to use referral powers to ensure these decisions are taken by the Planning Committee, the Constitution does not provide the necessary level of certainty about the decision making procedures for those seeking planning permission which could lead to complaint and/or challenge.

3.3 Furthermore, the “do nothing” option would mean leaving the rules and procedures unchanged thereby potentially failing in the statutory duty to secure continuous improvement in the way in which the Council’s functions are exercised.
Approve as set out

3.4 To ensure that the Constitution is up to date, clear and accurate; provides certainty for all users of the service; that requires significant planning applications recommended for approval to be determined by the Planning Committee where there has been no Member call-in, and that minimises the risk of notifications being approved by default, all recommendations proposed need to be agreed.

Approve some but not all recommendations

3.5 This is an option, the effect of which would be dependent on which recommendations were not taken forward.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The Committee is asked to approve and recommend to Full Council all the proposed changes to the Constitution to ensure it is accurate, up to date and provides for good decision making.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The proposed changes were discussed with the Portfolio Holder who supported them and also with CRWP who agreed them without change (The draft minutes from the meeting are attached as Appendix C).

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 The recommendations in this report, if agreed, will be progressed as set out in the Timetable on the front sheet.

6.2 If agreed by Full Council on 20 April 2016, the approved changes to the Constitution will be made.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off (name of officer and date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal including Human Rights Act</td>
<td>The Council is required by the Local Government Act 2000 to have a constitution that is up to date and fit for purpose. The Council also has a statutory duty to secure continuous improvement in the way in which its functions are exercised.</td>
<td>Keith Trowell Principal Lawyer and Deputy Monitoring</td>
</tr>
</tbody>
</table>
having regard to a combination of economy, efficiency and effectiveness. Review of the Constitution demonstrates compliance with the requirements and duties.

| Financial and other resources | There are no new financial implications. | Lee Colyer  
Director of Finance and Corporate Services (s151 Officer)  
15/03/16 |
|Equalities| Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper have remote or low relevance to the substance of the Equality Act. However, it should be noted that he recommendations in this paper do not alter the need to consider the requirements of the Public Sector Equality Duty within individual planning decisions. | Sarah Lavallie  
West Kent Equalities Officer  
15/03/16 |

8. **REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix A: [Extract from part 3 of the Constitution (November 2015) - showing proposals as tracked changes]
- Appendix B: [Extract from part 3 of the Constitution (November 2015) – clean version]
- Appendix C: [Notes of Constitutional Review Working Party meeting held on Thursday 18 June 2015]

9. **BACKGROUND PAPERS**

- The Tunbridge Wells Borough Council Constitution - December 2013 (as amended November 2015)
- Constitutional Review Working Party 19 February 2016 - Agenda Item 3: Amendments to Planning Delegations
- Notes of Constitutional Review Working Party meeting held on Thursday 18 June 2015
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PART 3

RESPONSIBILITY FOR FUNCTIONS AND SCHEME OF DELEGATIONS
OFFICER SCHEME OF DELEGATIONS

The purpose of this part of the Constitution is to bring together delegations to officers and roles and responsibilities of officers. Officers may be delegated to make decisions in respect of executive and non-executive matters.
TABLE 1
GENERAL DELEGATIONS TO ALL CHIEF OFFICERS

32. The Chief Officers referred to in this scheme of delegations are those set out in Article 6 of the
 Constitution.

33. Chief Officers are empowered to carry out those specific functions of the Council delegated to
 them in the scheme of delegation. In doing so Chief Officers are expected to follow principles
 of decision making in Article 7 of the Constitution.

34. Functions are to be construed in a broad and inclusive fashion and include the doing of
 anything which is calculated to facilitate or is conducive or incidental to the discharge of any of
 the specified functions.

35. In exercising their delegated powers Chief Officers may:

35.1 incur, vary and withdraw expenditure including the making of contributions to
 outside bodies whose objects are complementary to the work of the Council;

35.2 in consultation, where appropriate, with the relevant Cabinet Portfolio Holder,
 introduce, set and vary as necessary fees and charges for the delivery of
 services and for the issue of any licence, registration, permit, consent or
 approval;

35.3 deal with the following employment issues in accordance with the Council's
 procedures:
  35.3.1 engage, suspend, dismiss and deploy staff up to and including Head
       of Service level;
  35.3.2 take disciplinary action against staff up to but excluding appeals
       against dismissal;
  35.3.3 apply conditions of service in accordance with the Council's policies;
  35.3.4 permanently regrade posts up to and including Head of Service level
       with the approval of the Chief Executive;
  35.3.5 make establishment changes up to and including Head of Service
       level;
  35.3.6 deal with applications for regrading up to and including final appeal,
       ensuring that the person hearing the final appeal has had no
       previous involvement in the matter;

35.4 deploy other resources within their control;

35.5 within service budgets, accept tenders, place contracts and procure other
 resources within or outside the Council subject to compliance with the
 Council's Financial and Contract Procedure Rules;

35.6 terminate contractual and other commissioning arrangements;

35.7 serve, receive and act upon notices, give or refuse consents, issue
 determinations, apply for permissions, make orders, grant licences in the
 exercise of any discretionary power or in complying with any duty of the
 Council;

35.8 exercise virement within the financial limits contained in the Financial
 Procedure Rules;

35.9 provide services to other local authorities and organisations;

35.10 respond to consultations from Government departments and other public
 bodies;

35.11 request the Monitoring Officer to enforce any bye-laws relevant to their service
 area.
36. In exercising their delegated powers Chief Officers must act within the law, the Council’s Constitution, its Financial and Contract Procedure Rules and other procedures and policies and within appropriate service budgets.

37. In exercising their delegated powers the Chief Officers will:
   37.1 consult the relevant Cabinet Portfolio Holder as appropriate;
   37.2 consult any appropriate Chief Officer or relevant Head of Service, in particular where there are significant financial, legal, property or HR implications of the proposed action or decision;
   37.3 keep a formal record of the exercise of the delegated power and of the consultation undertaken in accordance with guidance issued by the Monitoring Officer;
   37.4 make the record available on request to:
      (a) the public, provided this does not mean the release of confidential or exempt information;
      (b) any member of the Council provided this does not involve the release of confidential or exempt information to which the Member is not entitled; and
      (c) the Chief Executive, S151 Officer and Monitoring Officer.

38. Each Chief Officer shall act as the designated Proper Officer for the following functions under the Local Government Act 1972:
   38.1 to identify which background papers disclose facts on which a particular report or an important part of the report is based (Section 100(d)(v)(a) of the Act);
   38.2 to prepare a list of background papers and to make arrangements for production of copies of background papers (Section 100(d)(i)(a) and (b) of the Act) (such delegation relates to the Chief Officer(s) in whose name(s) the report is prepared).

39. Chief Officers may authorise officers within their Service area to exercise powers delegated to them. Chief Officers must maintain proper records of such authorisation. The Chief Officer shall remain accountable for any action or decisions taken under that authority.

40. For the avoidance of doubt, any authorisations made by Chief Officers to officers in force immediately prior to the adoption of this Constitution shall continue in force and any action taken there under shall remain valid unless and until it is superseded by either further such delegation or authorisation, or any action taken pursuant to later delegation.

41. In the event of a Chief Officer post being vacant, or in the absence of a Chief Officer, those delegated powers may be exercised by the relevant Service Manager so far as permitted by law.

42. Where this Constitution permits the exercise of delegated powers by Service Managers, such exercise is subject to the same restrictions and requirements as are applicable to Chief Officers.

43. Where it is impracticable to obtain authorisation from the Council body with responsibility for the function and subject to the action being reported (for information) to the next convenient meeting of that body, to take urgent action within legal powers where this is necessary in the interests of the Council, in respect of matters otherwise reserved to the Cabinet or some other Council body.
44. In consultation with the Chairman of the Audit and Governance Committee, to make payments or provide other benefits in cases of maladministration in accordance with Section 92 of the Local Government Act 2000 (as amended) as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>£1,500</td>
</tr>
<tr>
<td>Directors</td>
<td>£1,000</td>
</tr>
<tr>
<td>Finance Director</td>
<td>£500</td>
</tr>
<tr>
<td>Monitoring Officer</td>
<td>£250</td>
</tr>
<tr>
<td>Heads of Service</td>
<td>£500</td>
</tr>
</tbody>
</table>
1. Executive Functions

Subject to the requirement set out below and in compliance with the provisions of Table 1 above, the Director of Development and Environment is authorised to discharge any function of the Cabinet in relation to:

1.1 Economic Policy and Programmes;
1.2 Regeneration;
1.3 Transport Strategy;
1.4 Local Transport Planning;
1.5 Tourism;
1.6 Conservation, Landscape, Ecology and Biodiversity, Renewable Energy and Sustainability;
1.7 Clean Neighbourhoods and Environment;
1.8 Open Spaces, Parks and Recreation Grounds;
1.9 Public Health and Pest Control;
1.10 Street Cleansing;
1.11 Waste and Recycling;
1.12 Animal Welfare/Infectious Disease Control;
1.13 Burial and Cremation;
1.14 Land Charges;
1.15 Management of the Council’s Land and Property Assets.
1.16 Community Right to Bid
1.17 Markets
1.18 Community Safety

In carrying out these delegated functions the Director will agree arrangements for consultation with the relevant Cabinet Portfolio Holder and will refer to the Cabinet for consideration and decision those matters directed by the said member.

2. Specific and Non-Executive Delegations

2.1 To review decisions made by the Head of Economic Development relating to the list of assets of community value.

2.2 To exercise all of the Council’s functions including registration, making of orders, issue of notices and enforcement in respect of the following matters referred to in Schedule 1 to the 2000 Regulations:

2.2.1 performances of hypnotism;
2.2.2 premises for acupuncture, tattooing, ear piercing and electrolysis;
2.2.3 pleasure boats and pleasure vessels;
2.2.5 night cafes and take-away food shops;
2.2.6 sale of non-medicinal poisons;
2.2.7 premises for the preparation of food including registration;
2.2.8 scrap yards;
2.2.9 pet shops and the breeding and boarding of dogs or other animals;
2.2.10 animal trainers;
2.2.11 knackers’ yards;
2.2.12 charitable collections;
2.2.13 operation of loudspeakers;
2.2.14 street works licences;
2.2.15 movement and sale of cattle and pigs;
2.2.16 storage of celluloid;
2.2.17 meat, fish, dairy and egg product establishments and butchers’ shops;
2.2.18 motor salvage operations;
2.2.19 health and safety at work;
2.2.20 smoke-free premises;
2.2.21 caravan and camping sites and moveable dwellings.

2.3 To exercise the Council’s functions in relation to:
2.3.1 the control of pollution and the management of air quality;
2.3.2 statutory nuisances, as referred to in Schedule 2 to the 2000 Regulations;
2.3.3 contaminated land;
2.3.4 the determination of applications for approval of drainage systems submitted pursuant to Schedule 3 of the Flood and Water Management Act 2010.

3. To exercise, in consultation with the Monitoring Officer the Council’s enforcement functions, including the institution of legal proceedings, under legislation set out in Appendix 1 to this Table and all relevant statutory provisions, as amended from time to time.

4. To authorise suitably qualified and competent staff and other persons acting on behalf of the Council, for the purposes of discharging duties and powers under the legislation referred to in Appendix 1 to this Table.

5. In consultation with the Monitoring Officer to review and update the list of relevant legislation contained within Appendix 1 to this Table to reflect new or modified statutory provisions.

6. To issue simple and conditional cautions to persons guilty of criminal offences under the legislation as referred to in Appendix 1 to this Table and in accordance with PACE and the Home Office Guidance.

7. To discharge the regulatory and enforcement functions of the Council under the legislation set out in Appendix 1 to the Table.

DELEGATIONS TO HEAD OF PLANNING

The following matters below are delegated to the Head of Planning:

8. Determine all forms of planning and other applications and all notifications submitted under the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, Localism Act 2011 or under any related principal or secondary legislation, except the following:

8.1 those applications or notifications that any member of the Council requests be determined by the Planning Committee and on the grounds on which it warrants discussion or consideration by the Planning Committee (Requests such must be made in writing to the Head of Planning Services specifying the material planning grounds on which the request is made and be received within 21 days of the publication of the weekly list-whichever is the latter);
8.2 any application made by a member or officer of the Planning Department or relative or partner of such persons, or person who has been a member or officer of the Planning Department in the three years prior to making the application;

8.3 proposals recommended for approval (but not including applications for Reserved Matters, or variation of conditions, on a major application including material minor material and amendments or applications for a non-material minor amendments) comprising:

(a) twenty or more dwellings (detailed and outline applications) except where the application is for a substitution of house types on a scheme already benefiting from an extant planning permission;

(b) commercial floor space of 52000 m2 or more comprised in Use Class B1 (Business) and/or Use Class B2 (General Industrial) and/or Use Class B8 (Storage or Distribution);

8.4 applications which would otherwise be delegated but which the Head of Planning Services considers should come before the Committee;

8.5 those applications or notifications where there is a significant departure from Development Plan policy and which would be required to be the subject of a notification to the Secretary of State;

8.6 any proposal involving the Borough Council either as applicant or landowner, either on its own or jointly with another individual or body.

9. To take all necessary steps in connection with the defence of appeals against any refusal or failure to determine any of the applications and notifications mentioned above.

10. To respond to any pre-application or other consultation on nationally significant infrastructure projects submitted or to be submitted to the Major Infrastructure Planning Unit under the Planning Act 2008

11. To authorise the making of a Direction under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015

12. To authorise the drafting, negotiation and completion of Section 106 Planning Obligations, S106A Variations to Planning Obligations and Release of Section 52 Planning Agreements

13. To carry out all functions related to the enforcement of the planning legislation listed in Schedule 1 below except that the issue of all formal notices and requisitions for information must be jointly authorised by the Head of Legal Partnership/Monitoring Officer

14. To authorise the taking of prosecution action and the making of applications for injunctions and to instruct the Monitoring Officer, as necessary, to instigate legal proceedings in respect of the enforcement of legislation relating to town and country planning

15. To authorise the taking of default action under Sections 178, 215 & 219 of the Town and Country Planning Act 1990
To respond to any pre-application or other consultation on nationally significant infrastructure projects submitted or to be submitted to the Major Infrastructure Planning Unit under the Planning Act 2008.

9.15.1 To authorise the making of a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995.

9.215.2 To authorise the drafting, negotiation and completion of Section 106 Planning Obligations, S106A Variations to Planning Obligations and Release of Section 52 Planning Agreements.


9.4 Authorise the taking of prosecution action applications for injunctions and to instruct the Monitoring Officer, as necessary, to instigate legal proceedings in respect of the enforcement of legislation relating to town and country planning.

9.5 Authorise the taking of default action under Sections 179, 215 & 219 of the Town and Country Planning Act 1990.

10. To exercise powers of revocation/modification of planning permissions (Section 97), discontinuance of a use/alteration or removal of a building (Section 102 & Schedule 9) and the making of Prohibition or Suspension Orders (Schedule 9) of the Town and Country Planning Act 1990.

11. To authorise the making, confirmation, revocation and variations of Tree Preservations Order (including emergency orders).

12. In connection with any proposed development under Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011, to determine whether an Environmental Impact Assessment is required (screening) and the information required (scoping).

13. To authorise individual named officers to exercise powers of entry contained in the following:

13.1 Town and Country Planning Act 1990;
13.3 Planning (Hazardous Substances) Act 1990;
13.4 Building Act 1984;
13.5 Fire Safety and Safety of Places of Sport Act 1987;
13.6 Safety of Sport Grounds Act 1975;
13.8 Party Wall Act 1996;
13.9 Planning & Compensation Act 2004 (so far as is relevant); or such other Acts of Parliament as relate to the relevant statutory functions of the planning authority.

14. To act under and in respect of:

14.1 Sections 16, 18 to 21, 23 to 25, 32, 35 and 36, Building Act 1984;
14.2 Sections 71 to 73 and 77 to 83, Building Act 1984;
14.3 Building Regulation 14 with regard to giving of notices and requiring the laying open, cutting into, and pulling down the building, works or fittings Issue 1 65 12 May 2010;
14.5 Party Wall Act 1996.

16.22. To authorise, sign and serve all notices and deal with all applications, licences, revocations and suspensions and take all necessary enforcement action on behalf of the Council in respect of its responsibilities for matters of building control.

17.23. To administer and determine complaints about high hedges under the Anti-Social Behaviour Act 2003.

18.24. To obtain information under Section 330 of the Town and Country Planning Act 1990 as to interests in land.

Schedule 1

All functions concerning the Council’s role as Local Planning Authority contained in the following primary legislation and all subordinate legislation made thereunder -

PUBLIC HEALTH ACT 1925
AGRICULTURAL LAND (REMOVAL OF SURFACE SOIL) ACT 1953
TOWN AND COUNTRY PLANNING ACT 1959
CARAVAN SITES AND CONTROL OF DEVELOPMENT ACT 1960
LAND COMPENSATION ACT 1961
EUROPEAN COMMUNITIES ACT 1972
ANCIENT MONUMENTS AND ARCHEOLOGICAL AREAS ACT 1979
LOCAL GOVERNMENT PLANNING AND LAND ACT 1980
COMPULSORY PURCHASE (VESTING DECLARATIONS) ACT 1981
BUILDING ACT 1984
PLANNING (HAZARDOUS SUBSTANCES) ACT 1990
PLANNING (LISTED BUILDINGS AND CONSERVATION AREAS) ACT 1990
TOWN AND COUNTRY PLANNING ACT 1990 (as amended)
PLANNING AND COMPENSATION ACT 1991
ECCLESIASTICAL EXEMPTION (LISTED BUILDINGS AND CONSERVATION AREAS) ORDER 1994
THE ENVIRONMENT ACT 1995
HEDGEROWS REGULATIONS 1997
And the power contained in s.111 Local Government Act 1972 and s.2 of the Local Government Act 2000, so far as the use of such powers is incidental to the exercise of the functions of a Local Planning Authority under all the legislation listed above, subject to prevailing common law and statutory duties and obligations concerning the use of those powers (advice on this point can be obtained from the Head of Legal Partnership/Monitoring Officer).
APPENDIX 1 TO TABLE 3

Acquisition of Land Act 1981
Administration of Justice Act 1970
Agriculture Act 1970
Agriculture (Miscellaneous Provisions) Act 1968
Agricultural Produce (Grading and Marking) Acts 1928 and 1931
Animal Boarding Act 1963
Animal Health Act 1981
Animal Welfare Act 2006
Anti-Social Behaviour Act 2003
Breeding of Dogs Act 1971
Breeding of Dogs Act 1991
Breeding and Sale of Dogs (Welfare) Act 1999
Building Act 1984
Business Names Act 1985
Burial Act 1853 and 1857
Caravan Sites and Control of Development Act 1960
Caravan Sites Act 1968
Children and Young Persons (Protection from Tobacco) Acts 1933 and 1991
Civic Amenities Act 1967
Clean Air Act 1993
Clean Neighbourhoods and Environment Act 2005
Contaminants in Food (England) Regulations 2003
Commons Act 1876 and 2006
Companies Act 1985
Consumer Credit Act 1974
Consumer Protection Act 1987
Control of Pollution (Amendment) Act 1989
Control of Pollution Act 1974
Countryside and Rights of Way Act 2000
Copyright, Design and Patents Act 1988
Criminal Damage Act 1971
Criminal Justice and Police Act 2001
Criminal Justice and Public Order Act 1994
Crime and Disorder Act 1998
Courts and Legal Services Act 1990
Dangerous Dogs Act 1991
Dangerous Wild Animals Act 1976
Development of Tourism Act 1969
Directives and Regulations Dogs (Fouling of Land) Act 1996
Dogs (Fouling of Land) Act 1996
Education Reform Act 1988
Electricity at Work Act 1989
Employment of Women, Young Persons and Children Act 1920
Energy Act 1976
Energy Conservation Act 1981
Enterprise Act 2002
Environmental Protection Act 1990 and all associated EU Directives and Regulations
Environment Act 1995
Estate Agents Act 1979 European Communities Act 1972
European Communities Act 1972
Farm and Garden Chemicals Act 1967
Food Act 1984

January 2015
Food Hygiene (England) Regulations 2006
Food and Environment Protection Act 1985
Food Safety Act 1990
Gambling Act 2005
Gas Safety (Installation and Use) Regulations 1998
Guard Dogs Act 1975
Hallmarking Act 1973
Health Act 2006
Health and Safety at Work etc. Act 1974
Highways Act 1980
Home Energy Conservation Act 1997
Home Safety Act 1961
Household Waste and Recycling Act 2003
House to House Collections Act 1939
Housing Act 2004
Inclosure Act 1857
Insurance Brokers (Registration) Act 1977
International Health Regulations 2005
Intoxicating Substances (Supply) Act 1985
Imported Food Regulations 1997
Land Compensation Act 1961
Land Drainage Act 1976
Land Drainage Act 1991
Land Drainage Act 1994
Licensing Act 2003
Litter Act 1983
Local Authorities Cemeteries Order 1977
Local Government Act 1972 and 2003
Local Government (Miscellaneous Provisions) Act 1976
Local Government (Miscellaneous Provisions) Act 1982
Local Transport Act 2008
Localism Act 2011
Medicines Act 1968
Mock Auctions Act 1961
Motor Vehicle Salvage Operators Regulations 2002
National Assistance Act 1948
New Roads and Street Works Act 1991
Noise Act 1996
Noise and Statutory Nuisance Act 1993
Open Spaces Act 1906
Parochial Registers and Records Measure 1978
Performing Animals (Regulation) Act 1925
Pesticides Act 1995
Pesticides (Fees and Enforcement) Act 1989
Pet Animals Act 1951 and Amendment Act 1983
Planning (Listed Buildings and Conservation Areas) Act 1990
Planning and Compensation Act 1991
Poisons Act 1972
Police, Factories, etc. (Miscellaneous Provisions) Act 1916
Police Reform Act 2002
Police Reform and Social Responsibility Act 2011
Pollution Prevention and Control Act 1999
Prevention of Damage by Pests Act 1949
Prices Acts 1974 and 1975
Products of Animal Origin (Import and Export) Regulations 1996, as amended
Property Misdescriptions Act 1991
Protection of Animals Act 1911 (as amended)
Public Health Act 1925 – Street Naming and Numbering Functions
Public Health Act 1936
Public Health Act 1961
Public Health (Control of Diseases) Act 1984
Public Health (Ships) Regulations 1979
Railway Clauses Consolidation Act 1985
Refuse Disposal (Amenity) Act 1978
Registration of Burials Act 1864
Road Traffic Offenders Act 1988
Road Traffic (Consequential Provisions) Act 1988
Road Traffic Regulation Act 1984
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Scrap Metal Dealers Act 1964 and 2013
Shops (early Closing Day) Act 1995
Slaughter of Poultry Act 1967
Slaughter of Poultry (Licences and Specified Qualifications) Regulations 1991
Slaughterhouse Licence (Forms and Records) Regulations 1959
Slaughterhouse Act 1974
Solicitors Act 1974
Sunbeds (Regulations) Act 2010
Sunday Trading Act 1994
Telecommunications Act 1984
Theft Act 1968
Timeshare Act 1992
Tobacco Advertising and Promotions Act 2002
Town and Country Planning Act 1990
Town Improvement Clauses Act 1847 – Street Naming and Numbering Functions
Town Police Clauses Act 1847
Trade Descriptions Acts 1968 and 1972
Trade Marks Act 1994
Trading Representations (Disabled Persons) Act 1958 and 1972
Trading Stamps Act 1964
Traffic Management Act 2004
Transport Act 1985, 2000 and 2006
Unsolicited Goods and Services Acts 1971 and 1975
Video Recordings Acts 1984 and 1993
Warm Houses and Energy Conservation Act 2003
Waste Minimisation Act 1998
Water Industries Act 1991
Weights and Measures Act 1985
Wildlife and Countryside Act 1981
Young Persons (Employment) Acts 1938 and 1964
Zoo Licensing Act 1987
PART 3

RESPONSIBILITY FOR FUNCTIONS AND SCHEME OF DELEGATIONS
OFFICER SCHEME OF DELEGATIONS

The purpose of this part of the Constitution is to bring together delegations to officers and roles and responsibilities of officers. Officers may be delegated to make decisions in respect of executive and non-executive matters.
TABLE 1

GENERAL DELEGATIONS TO ALL CHIEF OFFICERS

32. The Chief Officers referred to in this scheme of delegations are those set out in Article 6 of the Constitution.

33. Chief Officers are empowered to carry out those specific functions of the Council delegated to them in the scheme of delegation. In doing so Chief Officers are expected to follow principles of decision making in Article 7 of the Constitution.

34. Functions are to be construed in a broad and inclusive fashion and include the doing of anything which is calculated to facilitate or is conducive or incidental to the discharge of any of the specified functions.

35. In exercising their delegated powers Chief Officers may:
   35.1 incur, vary and withdraw expenditure including the making of contributions to outside bodies whose objects are complementary to the work of the Council;
   35.2 in consultation, where appropriate, with the relevant Cabinet Portfolio Holder, introduce, set and vary as necessary fees and charges for the delivery of services and for the issue of any licence, registration, permit, consent or approval;
   35.3 deal with the following employment issues in accordance with the Council's procedures:
      35.3.1 engage, suspend, dismiss and deploy staff up to and including Head of Service level;
      35.3.2 take disciplinary action against staff up to but excluding appeals against dismissal;
      35.3.3 apply conditions of service in accordance with the Council's policies;
      35.3.4 permanently regrade posts up to and including Head of Service level with the approval of the Chief Executive;
      35.3.5 make establishment changes up to and including Head of Service level;
      35.3.6 deal with applications for regrading up to and including final appeal, ensuring that the person hearing the final appeal has had no previous involvement in the matter;
   35.4 deploy other resources within their control;
   35.5 within service budgets, accept tenders, place contracts and procure other resources within or outside the Council subject to compliance with the Council's Financial and Contract Procedure Rules;
   35.6 terminate contractual and other commissioning arrangements;
   35.7 serve, receive and act upon notices, give or refuse consents, issue determinations, apply for permissions, make orders, grant licences in the exercise of any discretionary power or in complying with any duty of the Council;
   35.8 exercise virement within the financial limits contained in the Financial Procedure Rules;
   35.9 provide services to other local authorities and organisations;
   35.10 respond to consultations from Government departments and other public bodies;
   35.11 request the Monitoring Officer to enforce any bye-laws relevant to their service area.
36. In exercising their delegated powers Chief Officers must act within the law, the Council’s Constitution, its Financial and Contract Procedure Rules and other procedures and policies and within appropriate service budgets.

37. In exercising their delegated powers the Chief Officers will:
   37.1 consult the relevant Cabinet Portfolio Holder as appropriate;
   37.2 consult any appropriate Chief Officer or relevant Head of Service, in particular where there are significant financial, legal, property or HR implications of the proposed action or decision;
   37.3 keep a formal record of the exercise of the delegated power and of the consultation undertaken in accordance with guidance issued by the Monitoring Officer;
   37.4 make the record available on request to:
      (a) the public, provided this does not mean the release of confidential or exempt information;
      (b) any member of the Council provided this does not involve the release of confidential or exempt information to which the Member is not entitled; and
      (c) the Chief Executive, S151 Officer and Monitoring Officer.

38. Each Chief Officer shall act as the designated Proper Officer for the following functions under the Local Government Act 1972:
   38.1 to identify which background papers disclose facts on which a particular report or an important part of the report is based (Section 100(d)(v)(a) of the Act);
   38.2 to prepare a list of background papers and to make arrangements for production of copies of background papers (Section 100(d)(i)(a) and (b) of the Act) (such delegation relates to the Chief Officer(s) in whose name(s) the report is prepared).

39. Chief Officers may authorise officers within their Service area to exercise powers delegated to them. Chief Officers must maintain proper records of such authorisation. The Chief Officer shall remain accountable for any action or decisions taken under that authority.

40. For the avoidance of doubt, any authorisations made by Chief Officers to officers in force immediately prior to the adoption of this Constitution shall continue in force and any action taken there under shall remain valid unless and until it is superseded by either further such delegation or authorisation, or any action taken pursuant to later delegation.

41. In the event of a Chief Officer post being vacant, or in the absence of a Chief Officer, those delegated powers may be exercised by the relevant Service Manager so far as permitted by law.

42. Where this Constitution permits the exercise of delegated powers by Service Managers, such exercise is subject to the same restrictions and requirements as are applicable to Chief Officers.

43. Where it is impracticable to obtain authorisation from the Council body with responsibility for the function and subject to the action being reported (for information) to the next convenient meeting of that body, to take urgent action where this is necessary in the interests of the Council, in respect of matters otherwise reserved to the Cabinet or some other Council body.
44. In consultation with the Chairman of the Audit and Governance Committee, to make payments or provide other benefits in cases of maladministration in accordance with Section 92 of the Local Government Act 2000 (as amended) as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>£1,500</td>
</tr>
<tr>
<td>Directors</td>
<td>£1,000</td>
</tr>
<tr>
<td>Finance Director</td>
<td>£500</td>
</tr>
<tr>
<td>Monitoring Officer</td>
<td>£250</td>
</tr>
<tr>
<td>Heads of Service</td>
<td>£500</td>
</tr>
</tbody>
</table>
TABLE 3

DELEGATIONS TO THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

(Please also see paragraphs 7-12 of Table 2)

1. **Executive Functions**

Subject to the requirement set out below and in compliance with the provisions of Table 1 above, the Director of Development and Environment is authorised to discharge any function of the Cabinet in relation to:

1.1 Economic Policy and Programmes;
1.2 Regeneration;
1.3 Transport Strategy;
1.4 Local Transport Planning;
1.5 Tourism;
1.6 Conservation, Landscape, Ecology and Biodiversity, Renewable Energy and Sustainability;
1.7 Clean Neighbourhoods and Environment;
1.8 Open Spaces, Parks and Recreation Grounds;
1.9 Public Health and Pest Control;
1.10 Street Cleansing;
1.11 Waste and Recycling;
1.12 Animal Welfare/Infectious Disease Control;
1.13 Burial and Cremation;
1.14 Land Charges;
1.15 Management of the Council’s Land and Property Assets.
1.16 Community Right to Bid
1.17 Markets
1.18 Community Safety

In carrying out these delegated functions the Director will agree arrangements for consultation with the relevant Cabinet Portfolio Holder and will refer to the Cabinet for consideration and decision those matters directed by the said member.

2. **Specific and Non-Executive Delegations**

2.1 To review decisions made by the Head of Economic Development relating to the list of assets of community value.

2.2 To exercise all of the Council’s functions including registration, making of orders, issue of notices and enforcement in respect of the following matters referred to in Schedule 1 to the 2000 Regulations:

2.2.1 performances of hypnotism;
2.2.2 premises for acupuncture, tattooing, ear piercing and electrolysis;
2.2.3 pleasure boats and pleasure vessels;
2.2.5 night cafes and take-away food shops;
2.2.6 sale of non-medicinal poisons;
2.2.7 premises for the preparation of food including registration;
2.2.8 scrap yards;
2.2.9 pet shops and the breeding and boarding of dogs or other animals;
2.2.10 animal trainers;
2.2.11 knackers’ yards;
2.2.12 charitable collections;
2.2.13 operation of loudspeakers;
2.2.14 street works licences;
2.2.15 movement and sale of cattle and pigs;
2.2.16 storage of celluloid;
2.2.17 meat, fish, dairy and egg product establishments and butchers’ shops;
2.2.18 motor salvage operations;
2.2.19 health and safety at work;
2.2.20 smoke-free premises;
2.2.21 caravan and camping sites and moveable dwellings.

2.3 To exercise the Council’s functions in relation to:
2.3.1 the control of pollution and the management of air quality;
2.3.2 statutory nuisances, as referred to in Schedule 2 to the 2000 Regulations;
2.3.3 contaminated land;
2.3.4 the determination of applications for approval of drainage systems submitted pursuant to Schedule 3 of the Flood and Water Management Act 2010.

3. To exercise, in consultation with the Monitoring Officer the Council’s enforcement functions, including the institution of legal proceedings, under legislation set out in Appendix 1 to this Table and all relevant statutory provisions, as amended from time to time.

4. To authorise suitably qualified and competent staff and other persons acting on behalf of the Council, for the purposes of discharging duties and powers under the legislation referred to in Appendix 1 to this Table.

5. In consultation with the Monitoring Officer to review and update the list of relevant legislation contained within Appendix 1 to this Table to reflect new or modified statutory provisions.

6. To issue simple and conditional cautions to persons guilty of criminal offences under the legislation as referred to in Appendix 1 to this Table and in accordance with PACE and the Home Office Guidance.

7. To discharge the regulatory and enforcement functions of the Council under the legislation set out in Appendix 1 to the Table.

DELEGATIONS TO HEAD OF PLANNING

The following matters below are delegated to the Head of Planning:

8. Determine all forms of planning and other applications and all notifications submitted under the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, Localism Act 2011 or under any related principal or secondary legislation, except the following:

8.1 those applications that any member of the Council requests be determined by the Planning Committee on the ground that it warrants consideration by the Planning Committee (Requests must be made in writing to the Head of Planning Services specifying the material planning grounds on which the request is made and be received within 21 days of the publication of the weekly list);
8.2 any application made by a member or officer of the Planning Department or relative or partner of such persons, or person who has been a member or officer of the Planning Department in the three years prior to making the application;

8.3 proposals recommended for approval (but not including applications for reserved matters, variation of conditions, minor material and non-material amendments) comprising:

(a) twenty or more dwellings (detailed and outline applications) except where the application is for a substitution of house types on a scheme already benefiting from an extant planning permission;

(b) floor space of 2000 m² or more;

8.4 applications which would otherwise be delegated but which the Head of Planning Services considers should come before the Committee;

8.5 those applications where there is a significant departure from Development Plan policy and which would be required to be the subject of a notification to the Secretary of State;

8.6 any proposal involving the Borough Council either as applicant or landowner, either on its own or jointly with another individual or body.

9. To take all necessary steps in connection with the defence of appeals against any refusal or failure to determine any of the applications and notifications mentioned above.

10. To respond to any pre-application or other consultation on nationally significant infrastructure projects submitted or to be submitted to the Major Infrastructure Planning Unit under the Planning Act 2008

11. To authorise the making of a Direction under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015

12. To authorise the drafting, negotiation and completion of Section 106 Planning Obligations, S106A Variations to Planning Obligations and Release of Section 52 Planning Agreements

13. To carry out all functions related to the enforcement of the planning legislation listed in Schedule 1 below except that the issue of all formal notices and requisitions for information must be jointly authorised by the Head of Legal Partnership/Monitoring Officer

14. To authorise the taking of prosecution action and the making of applications for injunctions and to instruct the Monitoring Officer, as necessary, to instigate legal proceedings in respect of the enforcement of legislation relating to town and country planning

15. To authorise the taking of default action under Sections 178, 215 & 219 of the Town and Country Planning Act 1990

15.1
16. To exercise powers of revocation/modification of planning permissions (Section 97), discontinuance of a use/alteration or removal of a building (Section 102 & Schedule 9) and the making of Prohibition or Suspension Orders (Schedule 9) of the Town and Country Planning Act 1990.

17. To authorise the making, confirmation, revocation and variations of Tree Preservations Order (including emergency orders).

18. In connection with any proposed development under Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011, to determine whether an Environmental Impact Assessment is required (screening) and the information required (scoping).

19. To authorise individual named officers to exercise powers of entry contained in the following:
   19.1 Town and Country Planning Act 1990;
   19.3 Planning (Hazardous Substances) Act 1990;
   19.4 Building Act 1984;
   19.5 Fire Safety and Safety of Places of Sport Act 1987;
   19.6 Safety of Sport Grounds Act 1975;
   19.8 Party Wall Act 1996;
   19.9 Planning and Compensation Act 1991;
   or such other Acts of Parliament that relate to relevant statutory functions of the planning authority.

20. To act under and in respect of:
   20.1 Sections 16, 18 to 21, 23 to 25, 32, 35 and 36, Building Act 1984;
   20.2 Sections 71 to 73 and 77 to 83, Building Act 1984;
   20.3 Building Regulation 14 with regard to giving of notices and requiring the laying open, cutting into, and pulling down the building, works or fittings Issue 1 65 12 May 2010;
   20.4 Sections 29-32, Local Government (Miscellaneous Provisions) Act 1982;
   20.5 Party Wall Act 1996.


22. To authorise, sign and serve all notices and deal with all applications, licences, revocations and suspensions and take all necessary enforcement action on behalf of the Council in respect of its responsibilities for matters of building control.

23. To administer and determine complaints about high hedges under the Anti-Social Behaviour Act 2003.

24. To obtain information under Section 330 of the Town and Country Planning Act 1990 as to interests in land.
Schedule 1

All functions concerning the Council’s role as Local Planning Authority contained in the following primary legislation and all subordinate legislation made thereunder -

PUBLIC HEALTH ACT 1925
AGRICULTURAL LAND (REMOVAL OF SURFACE SOIL) ACT 1953
TOWN AND COUNTRY PLANNING ACT 1959
CARAVAN SITES AND CONTROL OF DEVELOPMENT ACT 1960
LAND COMPENSATION ACT 1961
EUROPEAN COMMUNITIES ACT 1972
ANCIENT MONUMENTS AND ARCHEOLOGICAL AREAS ACT 1979
LOCAL GOVERNMENT PLANNING AND LAND ACT 1980
COMPULSORY PURCHASE (VESTING DECLARATIONS) ACT 1981
BUILDING ACT 1984
PLANNING (HAZARDOUS SUBSTANCES) ACT 1990
PLANNING (LISTED BUILDINGS AND CONSERVATION AREAS) ACT 1990
TOWN AND COUNTRY PLANNING ACT 1990 (as amended)
PLANNING AND COMPENSATION ACT 1991
ECCLESIASTICAL EXEMPTION (LISTED BUILDINGS AND CONSERVATION AREAS) ORDER 1994
THE ENVIRONMENT ACT 1995
HEDGEROWS REGULATIONS 1997
REGULATION OF INVESTIGATORY POWERS ACT
THE HEALTH ACT 2006
GROWTH AND INFRASTRUCTURE ACT 2013
PLANNING ACT 2008
HOUSING ACT 1996 AND HOUSING ACT 2004
LOCAL DEMOCRACY, ECONOMIC DEVELOPMENT AND CONSTRUCTION ACT 2009
COUNTRYSIDE AND RIGHTS OF WAY ACT 2000
POLLUTION PREVENTION AND CONTROL ACT 1999

HUMAN RIGHTS ACT 1998

ENVIRONMENTAL PROTECTION ACT 1990

And the power contained in s.111 Local Government Act 1972 and s.2 of the Local Government Act 2000, so far as the use of such powers is incidental to the exercise of the functions of a Local Planning Authority under all the legislation listed above, subject to prevailing common law and statutory duties and obligations concerning the use of those powers (advice on this point can be obtained from the Head of Legal Partnership/Monitoring Officer).
APPENDIX 1 TO TABLE 3

Acquisition of Land Act 1981
Administration of Justice Act 1970
Agriculture Act 1970
Agriculture (Miscellaneous Provisions) Act 1968
Agricultural Produce (Grading and Marking) Acts 1928 and 1931
Animal Boarding Act 1963
Animal Health Act 1981
Animal Welfare Act 2006
Anti-Social Behaviour Act 2003
Breeding of Dogs Act 1971
Breeding of Dogs Act 1991
Breeding and Sale of Dogs (Welfare) Act 1999
Building Act 1984
Business Names Act 1985
Burial Act 1853 and 1857
Caravan Sites and Control of Development Act 1960
Caravan Sites Act 1968
Children and Young Persons (Protection from Tobacco) Acts 1933 and 1991
Civic Amenities Act 1967
Clean Air Act 1993
Clean Neighbourhoods and Environment Act 2005
Contaminants in Food (England) Regulations 2003
Commons Act 1876 and 2006
Companies Act 1985
Consumer Credit Act 1974
Consumer Protection Act 1987
Control of Pollution (Amendment) Act 1989
Control of Pollution Act 1974
Countryside and Rights of Way Act 2000
Copyright, Design and Patents Act 1988
Criminal Damage Act 1971
Criminal Justice and Police Act 2001
Criminal Justice and Public Order Act 1994
Crime and Disorder Act 1998
Courts and Legal Services Act 1990
Dangerous Dogs Act 1991
Dangerous Wild Animals Act 1976
Development of Tourism Act 1969
Directives and Regulations Dogs (Fouling of Land) Act 1996
Dogs (Fouling of Land) Act 1996
Education Reform Act 1988
Electricity at Work Act 1989
Employment of Women, Young Persons and Children Act 1920
Energy Act 1976
Energy Conservation Act 1981
Enterprise Act 2002
Environmental Protection Act 1990 and all associated EU Directives and Regulations
Environment Act 1995
Estate Agents Act 1979 European Communities Act 1972
European Communities Act 1972
Farm and Garden Chemicals Act 1967
Food Act 1984
Food Hygiene (England) Regulations 2006
Food and Environment Protection Act 1985
Food Safety Act 1990
Gambling Act 2005
Gas Safety (Installation and Use) Regulations 1998
Guard Dogs Act 1975
Hallmarking Act 1973
Health Act 2006
Health and Safety at Work etc. Act 1974
Highways Act 1980
Home Energy Conservation Act 1997
Home Safety Act 1961
Household Waste and Recycling Act 2003
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Housing Act 2004
Inclosure Act 1857
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International Health Regulations 2005
Intoxicating Substances (Supply) Act 1985
Imported Food Regulations 1997
Land Compensation Act 1961
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Land Drainage Act 1991
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Products of Animal Origin (Import and Export) Regulations 1996, as amended
Property Misdescriptions Act 1991
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Public Health (Control of Diseases) Act 1984
Public Health (Ships) Regulations 1979
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Trade Marks Act 1994
Trading Representations (Disabled Persons) Act 1958 and 1972
Trading Stamps Act 1964
Traffic Management Act 2004
Transport Act 1985, 2000 and 2006
Unsolicited Goods and Services Acts 1971 and 1975
Video Recordings Acts 1984 and 1993
Warm Houses and Energy Conservation Act 2003
Waste Minimisation Act 1998
Water Industries Act 1991
Weights and Measures Act 1985
Wildlife and Countryside Act 1981
Young Persons (Employment) Acts 1938 and 1964
Zoo Licensing Act 1987
CONSTITUTION REVIEW WORKING PARTY

Thursday, 18 June 2015

Present: Mr Lewis (Chairman)
Councillors March, Munn and Rankin

Officers in Attendance: Jane Lynch (Head of Planning), Wendy Newton-May (Democratic Services Team Leader), John Scarborough (Head of Legal Partnership) and Keith Trowell (Senior Lawyer and Deputy Monitoring Officer)

NOTES FROM THE LAST MEETING DATED 19 MARCH 2015 AND MATTERS ARISING

1. The Working Party went through the notes of the last meeting dated 19 March 2015. These were approved as a correct record and there were no matters arising.

AMENDMENTS TO PLANNING DELEGATIONS

2. Mr Trowell advised the Working Party that he and Mrs Lynch had made several amendments to Part 3 of the Constitution relating to the planning delegations.

The Working Party was informed that, following the review of the Constitution which took place 18 months ago, some wording had been omitted from the new document and therefore the proposed amendments reverted to wording in the previous scheme of delegation, which had been more accurate. The opportunity had also been taken by the officers to review the entire scheme of officer delegation relating to the Planning Service, to ensure clarity and correct errors in terminology, as well as making the amendments necessary due to changes in legislation.

In response to a question from Mr Lewis, Mrs Lynch confirmed that the proposed amendments had been discussed with the Planning and Transportation Portfolio Holder.

The Working Party went through the proposed changes and the reasons for them. Mrs Lynch clarified that the changes proposed to paragraphs 8.3 and 8.3 (b) were to ensure that the most significant decisions for approval were taken by members and to provide consistency for different forms of development. With regard to paragraph 8.3(b), Councillor March queried the floor space specified, which had been reduced to 2000m2. Mrs Lynch explained that 2000m2 was more appropriate for officer delegation as it was not a significant amount and setting it at this level would ensure that the Planning Committee had more decision making powers. She added that in practice this was the criteria being used currently and any applications that fell below the current 5000sqm threshold that were considered significant were being referred by her to the Committee. She also commented that even with a threshold set at 2000sqm this would continue to be the practice for smaller applications identified by officers as being significant.

Councillor Rankin referred to a section that she recalled being in a previous version of the Constitution which provided a wider range of grounds for members to call in a planning application, rather than just where there was a material planning consideration. This enabled applications that raised considerable local concern to be...
discussed and determined in a public forum meeting the Council’s objective to be open in its decision making. Mrs Newton-May was asked to look at previous editions and find this wording.

In response to this, Mrs Lynch expressed concern that if other grounds were allowed to be used for call in (other than material planning issues) then this would raise public expectations that their non-planning concerns could lead to a refusal and invite debate on matters that should not be considered. In addition she felt that Members could be put in a difficult position with officers having to provide strong advice about making decisions on non material planning grounds. However it was agreed that this could be re-examined and considered at a future meeting of the Working Party.

RESOLVED – That the proposed amendments to the Planning Delegations as set out in the agenda papers be approved for recommendation to the Audit and Governance Committee.

MINOR AMENDMENTS TO THE CONSTITUTION MADE UNDER THE MONITORING OFFICER’S DELEGATED POWERS - LICENSING DELEGATIONS

3 The Working Party was advised of an administrative error to Part 3 of the Constitution relating to delegations to the Head of Environment and Street Scene, which had been approved by the Monitoring Officer under his delegated powers. Members noted that during the review of the Constitution 18 months ago, a section had been omitted from the list of delegations to the Head of Environment and Street Scene.

This had now been corrected and published on the Council’s website.

RESOLVED – That the above action taken by the Monitoring Officer under his delegated powers be noted.

CABINET PORTFOLIOS

4 The Working Party was advised of several changes that had been made to the Cabinet Portfolios in Part 3 of the Constitution, which had been approved by the Monitoring Officer under his delegated powers. These changes had been made by the Leader of the Council following Annual Council on 27 May 2015.

The revised Cabinet Portfolios had been published on the Council’s website.

RESOLVED – That the above action taken by the Monitoring Officer under his delegated powers be noted.

AOB AND DATE OF NEXT MEETING

5 There was no other business to consider and it was agreed that the date of the next meeting would be arranged for three months’ time and confirmed by Mrs Newton-May in due course. Future items for consideration would be as follows:

- Possible reduction in the number of Planning Committee members
- Overview and Scrutiny Procedure Rules
NOTE: The meeting concluded at 3.10 pm.
Audit & Governance Committee 29 March 2016

Is the final decision on the recommendations in this report to be made at this meeting? | Yes

## Internal Audit Plan 2016/17

<table>
<thead>
<tr>
<th>Final Decision-Maker</th>
<th>Audit &amp; Governance Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Holder</td>
<td>Councillor Barrington-King</td>
</tr>
<tr>
<td>Lead Director</td>
<td>Lee Colyer – Director of Finance &amp; Corporate Services (s151 Officer)</td>
</tr>
<tr>
<td>Head of Service</td>
<td>Rich Clarke – Head of Audit Partnership</td>
</tr>
<tr>
<td>Lead Officer/Report Author</td>
<td>Rich Clarke – Head of Audit Partnership</td>
</tr>
<tr>
<td>Classification</td>
<td>Non-Exempt</td>
</tr>
<tr>
<td>Wards affected</td>
<td>All</td>
</tr>
</tbody>
</table>

This report makes the following recommendations to the final decision-maker:

1. The Committee approves the internal audit plan for 2016/17.
2. The Committee notes the longer term plan to 2018/19.
3. The Committee notes the Head of Audit Partnership’s view that the service is sufficiently resourced to deliver a Head of Audit Opinion for 2016/17.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

### Timetable

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Governance Committee</td>
<td>29 March 2016</td>
</tr>
</tbody>
</table>
1. **PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1 The report is provided in order to allow the Committee to consider and approve the Internal Audit Operational Plan 2016/17. It sets out the proposed audit work, comprising both assurance rated projects and other work, that the Audit Partnership intends to undertake to support work assessing the Council's internal control, risk management and corporate governance.

2. **INTRODUCTION AND BACKGROUND**

2.1 The Audit & Governance Committee must obtain assurance on the control environment of the organisation. Consequently, the Committee needs to have an awareness of the work conducted by Internal Audit, in order to adequately fulfil its duties.

2.2 The internal control environment comprises the whole network of systems and controls established to manage the Council, to ensure that its objectives are met. It includes financial and other controls, and arrangements for ensuring the Council is achieving value for money from its activities.

3. **AVAILABLE OPTIONS**

3.1 The Audit & Governance Committee, as part of its terms of reference, must maintain oversight of the internal audit function and its activities. The plan proposed aims to complete internal audit’s responsibilities in an efficient and effective manner.

4. **PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 The report sets out the one-year operational plan for 2016/17 together with an update to the longer-term plan up to 2018/19 originally presented to this Committee in March 2015. We ask the Committee to review and approve the 2016/17 operational plan and note the longer-term plan. We also ask Members to note the Head of Audit Partnership’s view that the Partnership has sufficient resources to deliver the plan. This final request arises from developments to Public Sector Internal Audit Standards during 2015/16 that require the Head of Audit to explicitly draw attention of Members to his assessment of the resources at his disposal.
5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 All findings and recommendations identified within reviews are consulted on with the appropriate Head of Service and action plans are agreed with management to implement recommendations. This plan was developed in consultation with Heads of Service and other Managers across the last several months and in response to discussions over the course of the year. The plan was also shared in full with officers at the Audit Partnership’s Shared Service Board meeting.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off (name of officer and date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal including Human Rights Act</td>
<td>Internal Audit is a required function in accordance with the Accounts &amp; Audit Regulations 2015.</td>
<td>Rich Clarke Head of Audit Partnership 9 March 2016</td>
</tr>
<tr>
<td>Finance and other resources</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Staffing establishment</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Risk management</td>
<td>The audit plan is produced as a result of risk assessment examining where audit activity is best focussed. The risk of not approving the plan is that the Council will be at greater risk of incurring or failing to detect fraud, error or service failure or weakness.</td>
<td></td>
</tr>
<tr>
<td>Environment and sustainability</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Community safety</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Health and Safety</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Health and wellbeing</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Equalities</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
</tbody>
</table>

7. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Mid Kent Audit Internal Audit Plan 2016/17.
8. BACKGROUND PAPERS

None.
Internal Audit Plan
2016/17 Operational Plan
and Strategic Plan Update

Tunbridge Wells Borough Council
Introduction

1. Internal audit is an independent and objective assurance and consulting activity designed to add value and improve the Council’s operations. It helps the Council accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2. Statutory authority for Internal Audit is within the Accounts and Audit Regulations 2015, specifically Regulation 5:

   *A relevant authority must undertake an effective internal audit to evaluate effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards (PSIAS).*

3. The Head of Audit Partnership is required by PSIAS 2450 to provide an annual opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. The opinion takes into consideration:

   a) Internal Controls: Including financial and non-financial controls.
   b) Corporate governance: Including effectiveness of measures to counter fraud and corruption, and
   c) Risk Management: Principally, the effectiveness of the Council’s risk management framework.

4. This document builds on our 4 year strategic plan presented to this Committee in March 2015, outlining the updates and adaptations we propose to ensure that the 2016/17 operational plan will support an accurate and reliable Head of Audit opinion and help the Council achieve its objectives. While the focus is on 2016/17, we have also made some consequential adaptations to the final two years of the plan which we will revisit in full and extend into 2020/21 as part of next year’s planning.

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1 This is the definition of internal audit included within the Public Sector Internal Audit Standards.
Basis of our plan: available resources

5. Last year we adapted the basis of our plan to move from seeking to deliver a set number of projects to a number of audit days. This move has enabled a much greater responsiveness and flexibility in how we deliver the audit resource. At Tunbridge Wells in 2015/16 this helped enable us to support the Council in developing its risk management approach and undertake independent investigations into complaints received from the public.

6. As noted in our mid year update in December 2015, during 2015/16 the Audit Partnership was restructured following the departure of a long-standing Audit Manager. The restructure has meant the team for 2016/17 can deliver more productive days. We achieve this through the addition of an audit team administrator role to free-up time for completing the plan, revision to the audit manager job description to enable more direct project and consulting work and continued development of the two trainee posts we created in 2015.

7. These changes have meant an increase across the Partnership in available productive days from 1,600 to 1,710, an increase of just under 7%. Given that the restructure occurred within the existing audit budget, this increase in productive days is at no additional cost.

8. In accordance with the principles of the Collaboration Agreement which governs the operation of the service, we divide these days between the authorities in line with their contribution to the service’s budget, as per the table below:

<table>
<thead>
<tr>
<th>Authority</th>
<th>Contribution to overall partnership budget</th>
<th>Audit Days Allocated 2016/17</th>
<th>Increase from days allocated 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashford BC</td>
<td>23%</td>
<td>395</td>
<td>+25</td>
</tr>
<tr>
<td>Maidstone BC</td>
<td>29%</td>
<td>500</td>
<td>+30</td>
</tr>
<tr>
<td>Swale BC</td>
<td>26%</td>
<td>440</td>
<td>+30</td>
</tr>
<tr>
<td>Tunbridge Wells BC</td>
<td>22%</td>
<td>375</td>
<td>+25</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>1,710</td>
<td>+110</td>
</tr>
</tbody>
</table>

9. Therefore the total audit allocation for Tunbridge Wells BC in 2016/17 is **375 days**, an increase of 25 days from the 2015/16 level. Operational guidance on PSIAS 2030 (Resource Management) sets out a range of factors Heads of Audit must consider in evaluating whether the level of resource available is sufficient to fulfil responsibilities. We present that analysis on the following page and its conclusion that we are satisfied that the Audit Partnership has sufficient resources in both quantity and capability based on that assessment.

10. However, we must clarify that our audit plan cannot address all risks across the Council and represents our best deployment of what are inevitably limited audit resources. In approving the plan, the Audit & Governance Committee recognises this limitation. We will keep the Committee abreast of any changes in our assessment of resource requirement as we monitor the risks posed to the Council. In particular, we will revise this resource assessment afresh each year.
## Audit Resource Evaluation 2016/17

<table>
<thead>
<tr>
<th>Step</th>
<th>Question to consider</th>
<th>Response</th>
<th>Resource Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Did you have sufficient resource to complete your prior year plan?</td>
<td>Marginal over-delivery of the plan anticipated at TWBC (current projection 109%) arising principally from expanding scope of individual projects across the year. We have managed that in 2015/06 through use of contingency and greater resource availability than anticipated but may not be able to do so in future.</td>
<td>More audit resource needed this year.</td>
</tr>
<tr>
<td>2</td>
<td>How has the size of the organisation changed?</td>
<td>No significant change.</td>
<td>No change in audit resource for this year</td>
</tr>
<tr>
<td>3</td>
<td>How has the complexity of the organisation changed?</td>
<td>No significant change</td>
<td>No change in audit resource for this year</td>
</tr>
<tr>
<td>4</td>
<td>How has the risk appetite of the organisation changed?</td>
<td>While not formally documented, our work over the course of the year indicate the Council is increasingly willing to take on (or support) more ambitious projects to realise its Corporate Plan, economic development and income generation goals.</td>
<td>More audit resource needed this year</td>
</tr>
<tr>
<td>5</td>
<td>How has the risk profile of the organisation changed?</td>
<td>This greater ambition, coupled with the greater risks inherent in a challenging public sector environment with limited resources and expanding and diversifying responsibilities, suggests a greater risk profile.</td>
<td>More audit resource needed this year</td>
</tr>
<tr>
<td>6</td>
<td>How has the organisation's control environment changed?</td>
<td>No significant material changes proposed that increase audit risk (although we note discussions about replacing the Council’s payroll system). Consistently, audit reports on key controls record sound/strong assurance results.</td>
<td>Less audit resource needed this year</td>
</tr>
<tr>
<td>7</td>
<td>What was the outcome of the QAIP/EQA?</td>
<td>Full conformance.</td>
<td>No change in audit resource for this year</td>
</tr>
<tr>
<td>8</td>
<td>What changes have there been to audit professional standards &amp; guidance?</td>
<td>Changes to standards on 2nd line of defence capabilities in particular point to a broader audit role if useful to authorities. May in future lead to additional or modified resource demand but no change at present.</td>
<td>No change in audit resource for this year</td>
</tr>
<tr>
<td>9</td>
<td>What efficiencies have there been within the audit service?</td>
<td>Continued bedding in of new audit approach and templates. Largely clearly backlog of 2013/14 and earlier recommendations for follow up.</td>
<td>Less audit resource needed this year</td>
</tr>
<tr>
<td>Step</td>
<td>Question to consider</td>
<td>Response</td>
<td>Resource Indication</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>How have Board expectations of the audit service and its role changed?</td>
<td>Increasing demand for work at the second line of defence, such as risk management and counter fraud coupled plus consultation with service managers shows range of projects/innovative areas where audit assurance input is valuable, especially in early stages of developing projects.</td>
<td>More audit resource needed this year</td>
</tr>
<tr>
<td></td>
<td>Overall Summary</td>
<td>On balance, there is a greater need for audit resource in 2016/17 than 2015/16. Principally this is due to increase in the general risk environment, the Council's ambitions, and increasing demands on the audit service for advice and corporate support. Weighing against are continued efficiencies within the audit service and a consistently reliable control environment.</td>
<td>More audit resource needed this year</td>
</tr>
<tr>
<td></td>
<td>Do you have sufficient resource to complete your audit plan?</td>
<td>I am confident that this plan delivers sufficient resources to support a reliable and comprehensive Head of Audit opinion at year end.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Resource evaluation in accordance with Standard 2030 on Resource Management
Basis of our plan: risk assessment

11. In compiling the four year strategic plan in 2015 we undertook a comprehensive evaluation of all areas of potential assurance need (the ‘audit universe’) and the risks and strategic priorities of the Council. It is not efficient to run that evaluation in full every year and so the 2016/17 planning has concentrated on adapting and evolving our understanding. We will undertake a more comprehensive review ahead of the 2017/18 audit plan, including a new four-year plan which will extend out to 2020/21.

12. What we have done for 2016/17 is an analysis of the projects and other audit work originally scheduled in the four-year plan we presented in March 2015 and considered their continuing relevance and utility to the Council based on our understanding of how its risks and priorities have developed. To form this analysis we have:

- Considered the results of audit work conducted in 2015/16 (including non-project work, follow-up of recommendations and work completed at other authorities),
- Consulted widely with officers, including meeting individually with each Head of Service and presenting an earlier draft of this plan to the Council’s Director of Finance and Corporate Services at the Shared Service Board and
- Reviewed the Council’s strategic plan and risk documentation, including direct participation across the year in the Council’s strategic risk update processes.

13. These steps stand in addition to our day-to-day work across the year in keeping plans flexible and responsive to new information and feedback from officers, Members and the broader environment the Council operates in.

14. The work identified for 2016/17 is set out on the following page, along with further notes of the ground we expect the review to cover (although specific audit scopes with be agreed with audit sponsors during engagement planning) and comments on any changes from the 2016/17 plan outlined in our 4 year strategic plan of Mach 2015.

15. At Appendix A, also we show this plan in place against the remainder of our strategic plan up to 2018/19. This includes a small number of consequential amendments to 2017/18 and 2018/19, particularly when work has been re-scheduled. We will re-consider those changes and set out further detail as part of our planning for 2017/18 and subsequent years.

† = Projects examining shared services which are co-funded from the audit plans of participating authorities. Only the Tunbridge Wells BC portion of the allocated budget is shown.

16.
2016/17 Operational Audit Plan

<table>
<thead>
<tr>
<th>Project titles and descriptions</th>
<th>Plan Days</th>
<th>2016/17 Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Finance Reviews</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>15</td>
<td>Retained per original plan</td>
</tr>
<tr>
<td>- To document the accounts receivable system and test key controls, including direct debits and housing loans.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Ledger Feeder Systems &amp; Journals</td>
<td>15</td>
<td>Added to 16/17 plan following deferral from 15/16 plan and combined with journals work.</td>
</tr>
<tr>
<td>- To document journal and feeder systems and test key controls.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>15</td>
<td>Retained per original plan but note precise scope and completion subject to progress on new payroll system implementation</td>
</tr>
<tr>
<td>- To document payroll processes and test key controls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury Management</td>
<td>10</td>
<td>Retained per original plan</td>
</tr>
<tr>
<td>- To review compliance with the treasury management strategy and consider efficiency of processes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Benefits</td>
<td>10†</td>
<td>Retained per original plan but shift focus slightly to include self and online services</td>
</tr>
<tr>
<td>- To review any changes to process and test key controls, considering particularly online services.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Governance Reviews</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT Access Controls</td>
<td>7†</td>
<td>Retained per original plan</td>
</tr>
<tr>
<td>- To review internal access controls, including controls over use of remote access.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom of Information</td>
<td>15</td>
<td>Added to 16/17 plan following deferral from 15/16 plan after discussion with officers.</td>
</tr>
<tr>
<td>- To review controls and processes to ensure legislative compliance and consider efficiency.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>10</td>
<td>Retained per original plan</td>
</tr>
<tr>
<td>- To build on initial review in 2015/16 and consider the Council’s arrangements for meeting the revised Corporate Governance Code applicable from 1 April 2016.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaints Management</td>
<td>15</td>
<td>Addition to 16/17 plan following discussion with officers</td>
</tr>
<tr>
<td>- To review complaint processing against corporate policy and compilation of associated KPIs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safeguarding</td>
<td>15</td>
<td>Retained from original plan, building on existing work elsewhere in the Partnership.</td>
</tr>
<tr>
<td>- To consider arrangements to meet statutory safeguarding obligations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational Reviews</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Safety</td>
<td>15</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To review operation of the community safety service.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications &amp; Social Media</td>
<td>15</td>
<td>Retained from original plan, but changed scope to focus on social media</td>
</tr>
<tr>
<td>- To review compliance with social media policy.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT Procurement</td>
<td>7†</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To review effectiveness of ICT procurement both centrally through the Project Framework and within services.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Project titles and descriptions

<table>
<thead>
<tr>
<th>Project titles and descriptions</th>
<th>Plan Days</th>
<th>2016/17 Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Management</strong></td>
<td>15</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To review controls around property management, particularly income controls (review will not cover RVP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business Continuity</strong></td>
<td>15</td>
<td>Added to 16/17 plan following deferral to allow BC Plan update.</td>
</tr>
<tr>
<td>- To review arrangements for Business Continuity planning.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Licensing</strong></td>
<td>15</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To review processing of license applications, income management and performance reporting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grounds Maintenance</strong></td>
<td>15</td>
<td>Retained from original plan but re-scoped from broader review of Leisure Management.</td>
</tr>
<tr>
<td>- To review contract monitoring and controls on processing contract payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Building Control Income</strong></td>
<td>15</td>
<td>Added to 16/17 plan following deferral from 15/16</td>
</tr>
<tr>
<td>- To review controls for income management</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parking Enforcement</strong></td>
<td>15</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To consider coverage of enforcement across the borough.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Land Charges</strong></td>
<td>6</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To review service performance and income controls.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Non-Project Work

<table>
<thead>
<tr>
<th>Non-Project Work</th>
<th>Plan Days</th>
<th>2016/17 Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit Committee Support</strong></td>
<td>10</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- Attendance at, preparation and advice to Audit Committee and Members, including training and briefings</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation Follow-Up</strong></td>
<td>30</td>
<td>Reduced from 40 days originally, following working through of backlog</td>
</tr>
<tr>
<td>- Consider implementation of audit recommendations as part of quarterly exercise.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk Management Support</strong></td>
<td>20</td>
<td>Retained from original plan</td>
</tr>
<tr>
<td>- To assist the Council in identifying and managing strategic and operational risks.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Counter Fraud Support</strong></td>
<td>15</td>
<td>Increased from 10 days to reflect need for policy refresh and creation of KIN</td>
</tr>
<tr>
<td>- To monitor and refresh corporate policies and administer and investigate matches identified by National Fraud Initiative (NFI) and Kent Intelligence Network (KIN)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contingency</strong></td>
<td>40</td>
<td>Retained from original plan, increased aimed at delivering 10% contingency</td>
</tr>
<tr>
<td>- To provide space for responses to risks arising in year, including requests for ad hoc advice or support</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Projects removed from 2016/17 Plans

<table>
<thead>
<tr>
<th>Projects removed from 2016/17 Plans</th>
<th>Plan Days</th>
<th>2016/17 Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Projects Review</strong></td>
<td>0</td>
<td>Moved from annual to biannual review after positive 15/16 findings, will next run in 17/18.</td>
</tr>
<tr>
<td><strong>Assembly Hall Theatre</strong></td>
<td>0</td>
<td>Deferred to 17/18 following succession of ‘strong’ opinions.</td>
</tr>
<tr>
<td><strong>Museum</strong></td>
<td>0</td>
<td>Deferred to 17/18 following late completion of 15/16 review.</td>
</tr>
<tr>
<td><strong>Development Management</strong></td>
<td>0</td>
<td>Deferred to 17/18 following officer request to allow for Planning Support re-integration.</td>
</tr>
</tbody>
</table>

### Total Audit Days

<table>
<thead>
<tr>
<th>Total Audit Days</th>
<th>Plan Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>375</td>
<td></td>
</tr>
</tbody>
</table>
Delivering audit work

17. The risk-based approach taken to forming the plan is integrated within our approach to individual projects. In addition to any specific objectives agreed with the audit sponsor at the time of drawing up the audit scope each project considers the strategies, risks and objectives relevant to the service area under review.

18. We will conduct each review in line with our standard audit methodology which is aligned to the Public Sector Internal Audit Standards. The roles and responsibilities for successful delivery of audit projects are set out also in our Audit Charter. An updated Charter for 2016/17 is also included on today’s agenda and will be provided to every audit sponsor.

19. Each of these audit reviews will culminate in an assurance rated report, giving our view on whether the particular area is operating effectively. We will keep these rating levels consistent with our revised approach adopted first in 2014/15, with details of the assurance levels included as a reminder to Members in this report at appendix C.

20. We will also, where appropriate, make recommendations for improvement. These recommendations are graded as set out in appendix C and followed up by our audit team when due for implementation. Recommendations that we find have not been implemented where there is ongoing risk to the Council are reported in the first instance to the Council’s Senior Management Team. Also, Senior Managers responsible for services that consistently fail to address audit recommendations will be required to provide further explanation to Members at the Audit & Governance Committee.

21. The plan also recognises the non-project work we deliver, using our experience and expertise to assist the Council in pursuit of its strategic priorities. We undertake this work in line with the arrangements set out in the Charter, in particular with those safeguards aimed at preserving our independence and objectivity.

22. Typically the non-project work will not result in an assurance graded output, but rather an alternative format relevant to the engagement and agreed with the work’s sponsor. In any event, we will inform the Audit & Governance Committee of the outcomes of non-project work through our interim and year end reports.
Monitoring delivery

23. We undertake our audit work against our standard audit approach, which has been assessed in our EQA as consistent with the PSIAS. In addition we adhere to the professional standards, roles and responsibilities as set out in the Charter.

24. As part of this approach we are careful to ensure the quality and consistency of our work. With respect to individual audit projects, each undergoes internal review focussing on each stage from compilation of the original brief, through completion of fieldwork and ultimately our reporting.

25. We undertake broader quality assurance of our work as detailed in our annual reports which include a full self assessment against the PSIAS.

26. Our service is also monitored each quarter by an Audit Shared Service Board; Lee Colyer is Tunbridge Wells’ representative. The Board receives performance and financial monitoring reports on the progress of the service. The set of performance indicators against which we report are included at appendix D, and we also report outturn on these indicators to the Audit & Governance Committee twice a year.

27. We are also dedicated to continuing to develop and enhance the professional expertise and experience of our audit team. In 2016/17 we have three of the team studying for professional qualifications in addition to the five who gained qualifications in 2015/16. We include more details about the audit team and the work we will be undertaking in 2016/17 to support and enhance their development within appendix B.
## Appendix A: Tunbridge Wells Borough Council: Updated Strategic Plan

### Core Finance & Corporate Governance Reviews

<table>
<thead>
<tr>
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<th>Partnership</th>
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<th>2017/18</th>
<th>2018/19</th>
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<td>Technical Support</td>
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<td></td>
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<td>4</td>
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<td>Legal Services</td>
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<td>MBC/SBC/TWBC</td>
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<td>Partnership &amp; Engagements</td>
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<td>Partnerships &amp; Engagement</td>
<td>Communications &amp; Social Media</td>
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<td>15</td>
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</table>
Audit projects noting more than one client (e.g. ABC/SBC) are reviews of services delivered in partnership. In such instances our work is co-funded between the partners’ audit plans and the audit output will be made available to all on the same basis. Precise timings of work within a given year will be subject to negotiation with individual audit sponsors.
### Other Work

<table>
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<tr>
<th>Service</th>
<th>Other Work</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
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<tr>
<td><strong>Risk Management</strong></td>
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<td><strong>Audit Follow Ups</strong></td>
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<td>TBC</td>
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### Overall Summary

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<td>Operational Reviews</td>
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<tr>
<td><strong>Non Audit Work (unrated reporting)</strong></td>
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<tr>
<td>Non Audit Work (unrated reporting)</td>
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<td>102 days</td>
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<td>Audit Follow Up</td>
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<td>Consultancy/Contingency</td>
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<td><strong>Total Audit Resources Available</strong></td>
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Appendix B: Mid Kent Audit Team

Management

Rich Clarke CPFA ACFS (Head of Audit Partnership): Rich became head of the audit partnership on 1 April 2014 joining the partnership from KPMG, where he had a range of internal and external audit clients across the public sector including LB Islington, Woking BC, East Kent Hospitals University NHS Trust, the Foreign and Commonwealth Office and the Civil Aviation Authority. Rich is a Chartered Accountant (CPFA) and during 2015 undertook and passed further study to become an Accredited Counter Fraud Specialist (ACFS).

Russell Heppleston CMIIA (Deputy Head of Audit Partnership): Russell started working for the Maidstone / Ashford partnership in November 2005, and continued his role as Auditor for the Mid Kent Audit Service when it was established in 2010. He progressed through professional qualifications with the Institute of Internal Auditors (IIA) to achieve both Practitioner and Chartered member status. Having been appointed as Audit Manager for Swale and Maidstone in 2013, Russell was subsequently appointed as Deputy Head of Audit Partnership in the 2015 restructure. During 2016/17 Russell will be studying to achieve accreditation with the Institute of Risk Management.

Frankie Smith CMIIA (Audit Manager – Swale & Tunbridge Wells): Frankie Smith started her career in Internal Audit at Kent County Council in 2001 as a Trainee Auditor. In December 2001 she was appointed to the role of Auditor at Maidstone Borough Council. Over the last 15 years she has completed audits at Ashford, Maidstone, Swale and Tunbridge Wells and became fully CMIIA qualified in August 2015. Frankie was appointed to the role of Audit Manager for Swale and Tunbridge Wells in August 2015.

Alison Blake ACCA, CIRM (Audit Manager – Ashford & Maidstone): Alison joined the internal audit partnership in 2012. Prior to this Alison worked for South Coast Audit for 7 years where she undertook internal audit work across a range of NHS clients in East Kent. During Alison’s career she has completed a wide range of audit work including finance, information governance and risk management, system reviews and reviews of compliance with legislation with the aim of working with the client to help them achieve their objectives and the objectives of the organisation as a whole. Following Alison’s recent return from maternity leave she takes on the role of Audit Manager for Ashford and Maidstone.
Auditors & Senior Auditors

**Mark Goodwin (Senior Auditor):** Mark joined Ashford Borough Council in January 1999 having previously worked at Maidstone Borough Council in an audit role. He was a founder member of the Ashford and Maidstone Internal Audit Partnership before this developed into the four-way Mid Kent Audit Partnership in April 2010. He is an experienced auditor who has audited extensively the full spectrum of Council services and activities across a number of local authorities. During 2015 Mark also completed a qualification as a CIPFA Accredited Counter Fraud Technician.

**Claire Walker (Senior Auditor):** Claire joined the audit partnership in September 2010, and has wide experience in a variety of sectors and bodies; Local and Central Government, Arts, Broadcasting, Financial Services, NGOs & Not For Profit Sector (domestic & foreign), also Lottery Fund distribution QUANGOS (New Opportunities Fund, Big Lottery Fund, Millennium, Commission, Olympic Delivery Agency, Heritage Lottery Fund, and Sport England) and the associated grant making programmes (in house and outsourced grant administered programmes). Claire delivered some training & mentoring projects for the FCO, DFID and the World Bank in addition to work on European Social Fund projects. Within Local Government Claire has undertaken a wide range of audits with a focus on legal compliance, contracts and governance arrangements. Other audit experience covers outsourcing functions, due diligence, and fraud investigations.

**Jo Herrington PIIA (Auditor):** Jo joined the audit partnership on 30 September 2013. She joined the partnership from Gravesham BC, where she worked for nearly nine years. She gained experience of working in the Finance department and the Revenues department before settling in the Internal Audit team in September 2009, who operated a shared management arrangement with Tonbridge & Malling BC. As part of the Internal Audit team she gained broad experience conducting financial and operational audit reviews, as well as being involved in working groups across the authority. Jo was promoted to the position of Senior Auditor during the 2015 restructure.

**Jen Warrillow PIIA (Auditor):** Jen joined Mid Kent Audit in September 2013 from Kent County Council where she trained as an Internal Auditor. She recently completed study for Practitioner of the Institute of Internal Auditors status and during 2015 studied to become a Chartered Member of the Institute. At KCC Jen undertook a wide range of audits including financial, governance and grant funding internally for the Council and externally for Parish Councils. Previous to joining KCC, Jen worked as an investigator for Swale BC and then Tonbridge & Malling BC. Jen was promoted to the position of Senior Auditor during the 2015 restructure. Jen is currently on maternity leave, scheduled to return to the team in July 2016.

**Paul Goodwin AAT (Auditor):** Paul has been employed by Tunbridge Wells Borough Council for over 26 years of which nearly all has been in Internal Audit. Paul is a qualified Accounting Technician.

**Andy Billingham (Auditor):** Andy joined the Partnership on 7 December 2015. He had previously worked for Swale Borough Council for 10 years within the Revenues and Benefits department gaining extensive knowledge of local government processes and procedures whilst dealing with complex disputes and representing the authority at Tribunals. Andy holds a degree in History as well as an Institute of Revenue Rating and Valuation qualification.
Trainee Auditors & Others

Ben Davis (Trainee Auditor): Ben joined the team in March 2015 as a trainee auditor. He holds a degree in Modern History from UEA and has previous experience in finance teams in the private and voluntary sectors. Ben began training towards achieving a professional qualification through the Chartered Institute of Public Finance and Accountancy (CIPFA) and was successful in passing the first stage of the qualification in December 2015.

Helen Pike (Trainee Auditor): Helen joined the audit team in July 2015 as a trainee auditor. Her previous work experience is extensive and incorporates spells in occupations as diverse as TV programme scheduling and emergency ambulance despatch but joined us most recently from the finance and administration team of the Kent Institute for the Blind. Helen has recently embarked on studying for the Institute of Internal Audit Professional Certificate as the first step towards becoming a Chartered Internal Auditor (CIA).

Louise Taylor (Audit Team Administrator): The Audit Partnership restructure in 2015 created the role of audit team administrator to assist the team in various tasks including monitoring performance management, archiving our reports and managing our audit software. Following a trial period, this post was taken by Louise who had previously worked in the Planning department of Maidstone Borough Council and has extensive experience working with local authorities.

We also have facility within the audit service to seek and deploy additional specialist resource depending on the needs of the service and of our local authority partners.
## Appendix C: Assurance and Recommendation Ratings

**Assurance Ratings 2016/17 (unchanged from 2014/15 and 2015/16)**

<table>
<thead>
<tr>
<th>Full Definition</th>
<th>Short Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong</strong> – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.</td>
<td>Service/system is performing well</td>
</tr>
<tr>
<td><strong>Sound</strong> – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</td>
<td>Service/system is operating effectively</td>
</tr>
<tr>
<td><strong>Weak</strong> – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</td>
<td>Service/system requires support to consistently operate effectively</td>
</tr>
<tr>
<td><strong>Poor</strong> – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</td>
<td>Service/system is not operating effectively</td>
</tr>
</tbody>
</table>
Recommendation Ratings 2016/17 (unchanged from 2014/15 and 2016/17)

**Priority 1 (Critical)** – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

**Priority 2 (High)** – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council’s aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

**Priority 3 (Medium)** – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

**Priority 4 (Low)** – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

**Advisory** – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.
## Appendix D: Performance Indicators

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<td>F3</td>
<td>Chargeable days</td>
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<tr>
<td>Internal Process</td>
<td>I1</td>
<td>Full PSIAS conformance</td>
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<tr>
<td></td>
<td>I2</td>
<td>Audits completed on time</td>
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<td></td>
<td>I3</td>
<td>Draft reports on time</td>
</tr>
<tr>
<td>Customer</td>
<td>C1</td>
<td>Satisfaction with assurance</td>
</tr>
<tr>
<td></td>
<td>C2</td>
<td>Final reports on time</td>
</tr>
<tr>
<td></td>
<td>C3</td>
<td>Satisfaction with conduct</td>
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<td>Learning &amp; Developing</td>
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<tr>
<td></td>
<td>L3</td>
<td>Satisfaction with skills</td>
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</table>
Audit Charter 2016/17

<table>
<thead>
<tr>
<th>Final Decision-Maker</th>
<th>Audit &amp; Governance Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Holder</td>
<td>Councillor Barrington-King</td>
</tr>
<tr>
<td>Lead Director</td>
<td>Lee Colyer – Director of Finance &amp; Corporate Services (s151 Officer)</td>
</tr>
<tr>
<td>Head of Service</td>
<td>Rich Clarke – Head of Audit Partnership</td>
</tr>
<tr>
<td>Lead Officer/Report Author</td>
<td>Rich Clarke – Head of Audit Partnership</td>
</tr>
<tr>
<td>Classification</td>
<td>Non-Exempt</td>
</tr>
<tr>
<td>Wards affected</td>
<td>All</td>
</tr>
</tbody>
</table>

This report makes the following recommendations to the final decision-maker:

1. The Audit & Governance Committee **approves** the Internal Audit Charter 2016/17.
2. The Audit & Governance Committee **notes** the Head of Audit Partnership’s view that the Partnership is operating with sufficient independence and freedom from managerial interference to fulfil its responsibilities in line with Public Sector Internal Audit Standards, and will continue to do so.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

Timetable

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Governance Committee</td>
<td>29 March 2016</td>
</tr>
</tbody>
</table>
Audit Charter 2016/17

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 To report is provided in order to allow the Committee to consider and approve the revised Internal Audit Charter for 2016/17.

2. INTRODUCTION AND BACKGROUND

2.1 An Audit Charter is a requirement of Public Sector Internal Audit Standards (Standard 1000) and is a foundational document setting out the purpose, authority and responsibility of the service. A partial extract, giving an introduction to the position of the Charter within the Standards is below:

1000 Purpose, Authority and Responsibility

The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

Interpretation:
The internal audit charter is a formal document that defines the internal audit activity’s purpose, authority and responsibility. The internal audit charter establishes the internal audit activity’s position within the organisation, including the nature of the chief audit executive’s functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.

Public sector requirement

The internal audit charter must also:

- define the terms ‘board’ and ‘senior management’ for the purposes of internal audit activity;
- cover the arrangements for appropriate resourcing;
- define the role of internal audit in any fraud-related work; and
- include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.

2.2.1 In June 2015 this Committee approved the 2015/16 Charter which was scheduled to be revised and, if necessary, updated each year. This current report includes proposed updates to the 2016/17 Charter.
3. AVAILABLE OPTIONS

3.1 The Audit & Governance Committee, as part of its terms of reference, must maintain oversight of the internal audit function and its activities. The Charter proposed sets out the basis on which the function operates. We recommend no alternative course of action. However, the Committee may wish to make further comment on the nature of safeguards proposed and, potentially, request to see further reports in the event of the Audit Partnership being asked to take on second line of defence roles.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Some of the updates for 2016/17 are merely taking the opportunity of a revision to tidy up the document. This includes correcting one or two typographical errors and standardising the terminology (for example, using "Audit Partnership" to refer specifically to this service and leaving "internal audit" to denote the practice of internal audit more generally). The update also reflects changes in job title of the Director of Finance & Corporate Services (S151 Officer) since the Charter’s initial agreement.

4.2 The more substantial part of the update seeks to build on Supplemental Guidance issued recently by the Institute of Internal Audit on how and whether internal audit can take up broader roles within an organisation. These broader roles are often referred to as ‘second line of defence’ roles.

4.3 The ‘three lines of defence’ model is commonly used to describe controls existing within an organisation and is summarised in the diagram below (extracted from the IIA Guidance).

Figure 1
Traditionally, Internal Audit operates solely within the third line and that is the norm in many sectors (even most non-Local Government parts of the public sector). Indeed, the Audit Standards are written in the expectation that internal audit will not have any role outside the third line which may impede (or appear to impede) its independence.

However, the global IIA has been under pressure recently from, among others, the UK Internal Audit Standards Advisory Board (which includes the Mid Kent Head of Audit) to recognise that in many organisations a good audit function could successfully play a number of roles, and that Standards could usefully acknowledge and inform those roles. In particular, the IASAB sought to avoid a situation where existing guidance could be read to forbid auditors from undertaking those roles even where there are clear benefits to them doing so.

In response, the IIA has now issued a Supplemental Guidance report entitled “Internal Audit and the Second Line of Defence”. That Guidance acknowledges that audit services may often possess the skills, knowledge and expertise to successfully fulfil certain second line of defence roles and doing so could be beneficial, especially in smaller organisations. Fundamentally, it acknowledges that organisations can – provided they do so knowingly and through having weighed up the benefits – accept certain risks to the independence and objectivity of audit.

A key component of accepting those risks is being aware of the safeguards to independence that would operate, and having those safeguards acknowledged and approved by the Audit & Governance Committee. The more substantive amendments proposed to the Charter set out those safeguards.

Note that, at present, audit does not occupy any roles that comprise second line of defence functions. The Charter sets out the safeguards that would operate in the event of the Audit Partnership being asked to undertake those roles by Management. In particular, the Charter considers the safeguards that would operate if the Audit Partnership were to play a more prominent role in Risk Management and Counter Fraud, including ownership of relevant corporate policies.

To be clear, the Head of Audit Partnership is satisfied that the Partnership currently operates with required independence and freedom from interference and that it would continue to do so, subject to the described safeguards, in the event of being asked to take on further responsibilities. Consistent with the Public Sector Internal Audit Standards, the Head of Audit Partnership will contact Members immediately in the event of significant threat to independence or interference from Management.

We propose that the Audit & Governance Committee approve the Internal Audit Charter for 2016/17.

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The Charter was shared in draft with the Director of Finance & Corporate Services (s151 Officer) through the Shared Service Board.
4 CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off (name of officer and date)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal</strong> including Human Rights Act</td>
<td>Internal Audit is a required function in accordance with the Accounts &amp; Audit Regulations 2015. An Internal Audit Charter is a requirement of the Public Sector Internal Audit Standards.</td>
<td>Rich Clarke Head of Audit Partnership 9 March 2016</td>
</tr>
<tr>
<td><strong>Finance and other resources</strong></td>
<td>None identified at this stage.</td>
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</tr>
<tr>
<td><strong>Staffing establishment</strong></td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td><strong>Risk management</strong></td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td><strong>Environment and sustainability</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Community safety</strong></td>
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</tr>
<tr>
<td><strong>Health and Safety</strong></td>
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</tr>
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<td><strong>Health and wellbeing</strong></td>
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</tr>
<tr>
<td><strong>Equalities</strong></td>
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</table>

5 REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Tunbridge Wells BC Internal Audit Charter 2016/17 (tracked changes version to highlight amendments proposed from 2015/16).
- Appendix B: Tunbridge Wells BC Internal Audit Charter 2016/17 (without tracked changes for final approval).

6 BACKGROUND PAPERS

None.
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Internal Audit Charter

(2016-17 Update Track Changes Version)

Tunbridge Wells
Borough Council
Internal audit charter

1. The Internal Audit Charter (the ‘Charter’) is the formal document that defines internal audit’s purpose, authority and responsibility at Tunbridge Wells Borough Council (the ‘Council’). The Charter establishes internal audit’s position within the authority, including the nature of the Head of Audit Partnership’s functional reporting relationships. The Charter also authorises access to records, personnel and physical properties relevant to the performance of engagement and defines the scope of internal audit activities.

2. Final approval of the Charter resides with the Audit & Governance Committee, but it will be reviewed each year by the Head of Audit Partnership in consultation with the Audit Partnership Board.

Mission

3. The Audit Partnership acknowledges and aspires to achieving the mission of Internal Auditing provided by the Institute of Internal Auditors (IIA):

   To enhance and protect organisational value by providing stakeholders with risk based, and objective and reliable assurance, advice and insight.

Scope of work

4. The scope of the Audit Partnership’s work includes, in the first instance, tasks in support of the annual Head of Internal Audit Opinion. This work covers three areas:

   Internal Control

5. The system of internal control is a process for assuring achievement of the Council’s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and non-financial systems.

   Corporate Governance

6. Corporate governance is the system of rules, practices and processes by which the Council is directed and controlled.

   Risk Management

7. Risk management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.

8. In addition to those three core areas the Audit Partnership may, subject to specific arrangements, undertake engagements in the areas of counter fraud, operational risk management or advisory as discussed elsewhere in this Charter.
Authority of internal audit

9. Internal Audit is a statutory service as defined within the Accounts and Audit Regulations 2011-2015 (the ‘Regulations’) which require the Council to maintain an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices, evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards.

10. Deriving authority from those Regulations and those authorising this Charter, the Audit Partnership has free and unrestricted ability to plan and undertake audit assignments deemed necessary to fulfil its scope.

11. To enable full discharge of its duties, the Head of Audit Partnership and his team are authorised to:

   - Have a right of direct access to the Chair of the Audit & Governance Committee;
   - Have unrestricted access to all functions, records, property and personnel;
   - Obtain assistance where necessary from Council officers and contractors involved in subject of audit engagements.

12. The Head of Audit Partnership and his team are not authorised to perform any operational duties for the Council, initiate or approve accounting transactions (except where directly related to the administration of the service) and direct the activities of any Council employee (except insofar as they have been appropriately assigned to assist engagements or as described within the safeguards in this Charter).

Responsibility

13. The Head of Audit Partnership and his team have responsibility to undertake their work at all times in accordance with the Public Sector Internal Audit Standards (the ‘Standards’) and the IIA’s Code of Ethics (the ‘Code’) and the broader International Professional Practices Framework (IPPF) which applies across the global practice of internal audit. In addition, those members of the team who have membership of professional bodies will comply with the relevant requirements of that organisation. Undertaking work in accordance with the Standards will include:

   - Developing a flexible risk-based audit strategy and annual plan in consultation with senior management and presented annually to the Audit & Governance Committee for review and approval. The Audit & Governance Committee will also be invited to review and approve significant changes to the plan;
   - Tracking the status of agreed management actions and providing regular updates to the Audit & Governance Committee, including escalation of items of significant risk;
   - Issuing period reports to senior management and the Audit & Governance Committee summarising results of internal audit work;
   - Continuing liaison with the Council’s external auditors and other assurance providers to seek optimal assurance coverage;
• Communicating regularly with relevant stakeholders on progress of the internal audit service Audit Partnership, its work and findings; and
• Keeping the Shared Services Board (and so, the Finance Director Director of Finance & Corporate Services (s151 Officer)) informed on the performance of the internal audit service.

Reporting lines

14. The Head of Audit Partnership has responsibility for day to day management of the internal audit team Audit Partnership. The Head of Audit Partnership reports administratively to the Director of Mid Kent Services and, with respect to activities undertaken at the Council, reports functionally to the Finance Director Director of Finance & Corporate Services (s151 Officer) as the Council’s representative on the Audit Partnership Board. Organisationally, the Head of Audit Partnership reports to the Audit & Governance Committee. The Head of Audit Partnership also has a direct right of access to the Chief Executive as and when required.

15. Should the Head of Audit Partnership not be satisfied with the response of senior management to or engagement with a given audit review this will be highlighted to the relevant Head of Service in the first instance and escalated to the Audit & Governance Committee if the matter remains unresolved.

Independence and objectivity

16. The internal audit service Audit Partnership is and will remain free from interference in determining the scope and nature of its work and communicating its results. The Head of Audit Partnership will comment on and affirm the independence and objectivity of the service in individual reports and, at least annually, in summary reports to the Audit & Governance Committee. The summary reports will consider and report separately to the Committee on each area of the Audit Partnership’s functions.

Accountability

17. The Head of Audit Partnership, in the discharge of his duties, will be accountable to the Audit & Governance Committee and the Finance Director (through the Audit Partnership Board). This will include the provision of an annual Head of Audit Opinion as well as periodic reporting on significant issues and audit findings.

Management responsibilities

18. To be effective, the internal audit service Audit Partnership requires full co-operation of senior management. In approval of this Charter the Audit & Governance Committee and the Finance Director Director of Finance & Corporate Services (s151 Officer) direct management to cooperate with the internal audit Audit Partnership in the delivery of the service. This includes, but is not limited to, agreeing suitable briefs for audit engagements, acting as audit sponsors, providing access to appropriate records, personnel and systems, responding to draft reports and implementing management actions in line with agreed timescales.
19. Senior management also undertakes to keep the internal audit service Audit Partnership abreast of significant proposed changes in processes, systems or organisation, newly identified significant risks and all suspected or detected fraud, corruption or impropriety.

20. Senior management will also ensure that the internal audit service Audit Partnership has access to sufficient resources to fulfil the audit plan as directed by the Audit & Governance Committee. Responsibility for arranging and deploying resources in fulfilment of the plan rests with the Head of Audit Partnership.

Other Work

Consultancy

21. The Standards allow that Internal Audit resource may sometimes be more usefully focussed towards providing advice rather than assurance. Where appropriate, the service may act in a consultancy capacity by giving guidance, providing that:

- The objectives of the engagement address governance, risk management or internal control,
- The request has been approved by the Finance Director Director of Finance & Corporate Services (s151 Officer) (or delegated officer),
- The service has the right skills, experience and available resource, and
- Internal Audit The Audit Partnership’s involvement will not constitute a conflict of interest, compromise the appearance or fact of its independence and will not involve assuming a management role in providing advice.

22. The Head of Audit Partnership is responsible for ensuring all requests are reviewed in accordance with the above criteria and for making the final decision. The specific role of Internal Audit The Audit Partnership in any particular engagement will be agreed with the sponsor, documented within the assignment plan and reported to the Audit & Governance Committee at the next opportunity.

23. With respect to significant requests, defined as those which require the purchase of additional resources or major amendment to the agreed audit plan, the Head of Audit Partnership will consult the Chair of the Audit & Governance Committee before accepting the engagement.

Risk Management

24. Internal Audit The Audit Partnership’s role is Risk Management will be guided by the Institute of Internal Auditors position paper on The Role of Internal Auditing in Enterprise-Wide Risk Management and documented in the Council’s Risk Management Strategy. Internal Audit The Audit Partnership will not undertake roles defined as inappropriate by that guidance. Where Internal Audit undertake roles defined as ‘legitimate internal audit roles with safeguards’ the...
nature and extent of those safeguards will be agreed with the Finance Director and reported to the Audit & Governance Committee.

25. The position paper lists the following as legitimate internal audit roles with safeguards:

- Co-ordinating risk management activities,
- Consolidated risk reporting,
- Developing a risk approach for approval and its subsequent maintenance,
- Facilitating identification and evaluation of risks, and
- Coaching management in responding to risks.

26. The Council’s Risk Management Strategy allows for the Audit Partnership to undertake all of those roles providing safeguards are in place and agreed through the Audit Charter. The safeguards include:

- Internal separation of duties within the Audit Partnership, managed through the Deputy Head of Audit Partnership role. The Deputy Head of Audit Partnership will lead on reviews of the risk management approach which are reported separately to the Audit & Governance Committee and sponsored by the Director of Finance & Corporate Services (s151 Officer).
- The Audit Partnership’s resource input into risk management will be approved each year by the Audit & Governance Committee through the Audit Plan and monitored through update reports.
- Overall responsibility for approving the risk management approach remains Cabinet acting on the advice of the Council’s management team. The Audit & Governance Committee retains its constitutional role of conducting its own assessments on the effectiveness of the Council’s risk management approach which may, if required, also include independent review.

27. Although not part of the Council’s internal controls, the Audit & Governance Committee may also draw assurance from any work completed by the Council’s external auditors in completing their work supporting the Value For Money Conclusion.

Counter Fraud

28. Internal Audit. The Audit Partnership’s role on Counter Fraud will be in accordance with the Council’s Counter Fraud Strategy and with the resources approved by the Audit & Governance Committee in the Annual Audit Plan.

29. This role may include developing and maintaining relevant policies, including an overall Counter Fraud Strategy for approval by appropriate officer and Member groups as required by the Council’s constitution.
26. The Audit Partnership may also undertake training and awareness raising activity for officers and Members on the Council’s Counter Fraud Strategy and related policies and procedures. Such training will be undertaken in consultation with appropriate officer groups.

31. The Audit Partnership may assist or lead, as needed, in the identification and investigation of significant suspected fraudulent activities within the Council and notify Management and the Audit & Governance Committee of the results. This may include examining matches identified by the National Fraud Initiative, the Kent Intelligence Network or any other data matching activities.

32. Where a significant investigation requires purchase of additional resource or amendment to the agreed audit plan the Head of Audit Partnership will consult the Chair of the Audit & Governance Committee after discussion with the Finance Director/Director of Finance & Corporate Services (s151 Officer).

Major Projects

27. The Audit Partnership will be informed of major projects and their progress through continuing discussion with Management. The Audit Partnership’s response to major projects will be proportionate to the risk in terms of the inclusion of specific audit work within the annual audit plan. Where a project team seeks advice or further support from Internal Audit, we will treat that request as one for consultancy support as described from paragraph 21.

Relationships

28. The Head of Audit Partnership and the audit team are involved in a wide range of relationships whose quality are is important in supporting the effective delivery of the audit function.

Relationships with management

29. The internal audit service Audit Partnership will maintain effective relationships with managers at the Council. This will include consultation in the audit planning process both at an overall plan level and with respect to the scope of individual audit projects as well as regular meetings with key stakeholders. Timing of audit work will also be agreed in conjunction with Management.

Relationships with external auditors and regulators

30. The internal audit service Audit Partnership and Grant Thornton LLP have an established and sound working relationship described in more detail within the Internal/External Audit Protocol presented to the Audit & Governance Committee in March 2014. We Each will continue to rely upon and draw from each other’s work subject to the limits and duties determined by our respective responsibilities and professional standards. This enables us to evaluate evaluation and review of work and only leading to re-performance of where
necessary. We, The Audit Partnership and Grant Thornton LLP, will meet regularly and share our plans and reports.

31-37. The internal audit service, Audit Partnership, will also take account of the results and reports from any other external inspections or reviews when planning and undertaking audit work. Where appropriate, the Head of Audit Partnership or appropriately delegated representative will represent the service in consultation and discussion with external agencies, inspectors or regulators.

Relationships with Members

32-38. The Head of Audit Partnership will be the first point of contact for Members, in particular members of the Audit & Governance Committee. However, we, the Audit Partnership places great store in gaining and maintaining an effective working relationship with Members and so will foster good contacts throughout the internal audit service as appropriate.

33-39. The Head of Audit Partnership will have the opportunity to meet separately (that is, without other officers in attendance) with the Chair of the Audit & Governance Committee and other Members if desired.

Standards of internal audit practice

34-40. This Charter recognises the mandatory nature of the IIA definition of Internal Auditing and Code of Ethics, and the Public Sector Internal Audit Standards, and the IPPF. The Internal Audit team, Audit Partnership, comply with these standards.

Quality assurance

35-41. The Standards require that audit be subject to a quality assurance and improvement programme. For Mid Kent Audit, the Audit Partnership, that programme incorporates both internal and external elements.

Internal assurance

36-42. All of our audit engagements are subject to review by management and the Head of Audit Partnership prior to finalisation. These reviews seek to ensure that work undertaken is consistent with the Standards, consistent with the risks associated with the area under review and that conclusions are supported by detailed work undertaken. We will vary, The Audit Partnership varies, the range and scope of reviewers to help maintain consistency and support learning within the service.

External assurance

37-43. An external assessment must be conducted at least once every five years by a qualified, independent assessor from outside the organisation. The service's Audit Partnership's most recent such assessment was completed by the Institute of Internal Auditors in 2014, with results reported to the Audit & Governance Committee. The Head of Audit Partnership will
keep the need for external assurance under review and discuss options with the Finance Director/Director of Finance & Corporate Services (s151 Officer) and the Audit & Governance Committee as the need arises.

This Charter is authorised within Tunbridge Wells Borough Council:

Finance Director (interim)/Director of Finance & Corporate Services (s151 Officer): Lee Colyer

Audit & Governance Committee Chair: Councillor Len Horwood

With the agreement of:

Head of Audit Partnership: Rich Clarke

Mid Kent Services Director: Paul Taylor

Agreed by Audit Committee: 30 June 2015, 29 March 2016

Next Review required: Annually
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Internal Audit Charter

Tunbridge Wells Borough Council
Internal audit charter

1. The Internal Audit Charter (the ‘Charter’) is the formal document that defines internal audit’s purpose, authority and responsibility at Tunbridge Wells Borough Council (the ‘Council’). The Charter establishes the Audit Partnership’s position within the authority, including the nature of the Head of Audit Partnership’s functional reporting relationships. The Charter also authorises access to records, personnel and physical properties relevant to the performance of engagement and defines the scope of internal audit activities.

2. Final approval of the Charter resides with the Audit & Governance Committee, but it will be reviewed each year by the Head of Audit Partnership in consultation with the Audit Partnership Board.

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   To enhance and protect organisational value by providing stakeholders with risk based and objective assurance, advice and insight.

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7. Risk management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.

8. In addition to those three core areas the Audit Partnership may, subject to specific arrangements, undertake engagements in the areas of counter fraud, operational risk management or advisory as discussed elsewhere in this Charter.
Authority of internal audit

9. Internal Audit is a statutory service as defined within the Accounts and Audit Regulations 2015 (the ‘Regulations’) which require the Council to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards.

10. Deriving authority from those Regulations and those authorising this Charter, the Audit Partnership has free and unrestricted ability to plan and undertake audit assignments deemed necessary to fulfil its scope.

11. To enable full discharge of its duties, the Head of Audit Partnership and his team are authorised to:
   - Have a right of direct access to the Chair of the Audit & Governance Committee;
   - Have unrestricted access to all functions, records, property and personnel;
   - Obtain assistance where necessary from Council officers and contractors involved in subject of audit engagements.

12. The Head of Audit Partnership and his team are not authorised to perform any operational duties for the Council, initiate or approve accounting transactions (except where directly related to the administration of the service) and direct the activities of any Council employee (except insofar as they have been appropriately assigned to assist engagements or as described within the safeguards in this Charter).

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   - Developing a flexible risk-based audit strategy and annual plan in consultation with senior management and presented annually to the Audit & Governance Committee for review and approval. The Audit & Governance Committee will also be invited to review and approve significant changes to the plan;
   - Tracking the status of agreed management actions and providing regular updates to the Audit & Governance Committee, including escalation of items of significant risk;
   - Issuing period reports to senior management and the Audit & Governance Committee summarising results of internal audit work;
   - Continuing liaison with the Council’s external auditors and other assurance providers to seek optimal assurance coverage;
• Communicating regularly with relevant stakeholders on progress of the Audit Partnership, its work and findings; and
• Keeping the Shared Services Board (and so, the Director of Finance & Corporate Services (s151 Officer)) informed on the performance of the internal audit service.

Reporting lines

14. The Head of Audit Partnership has responsibility for day to day management of the Audit Partnership. The Head of Audit Partnership reports administratively to the Director of Mid Kent Services and, with respect to activities undertaken at the Council, reports functionally to the Director of Finance & Corporate Services (s151 Officer) as the Council’s representative on the Audit Partnership Board. Organisationally, the Head of Audit Partnership reports to the Audit & Governance Committee. The Head of Audit Partnership also has a direct right of access to the Chief Executive as and when required.

15. Should the Head of Audit Partnership not be satisfied with the response of senior management to or engagement with a given audit review this will be highlighted to the relevant Head of Service in the first instance and escalated to the Audit & Governance Committee if the matter remains unresolved.

Independence and objectivity

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19. Senior management also undertakes to keep the Audit Partnership abreast of significant proposed changes in processes, systems or organisation, newly identified significant risks and all suspected or detected fraud, corruption or impropriety.

20. Senior management will also ensure that the Audit Partnership has access to sufficient resources to fulfil the audit plan as directed by the Audit & Governance Committee. Responsibility for arranging and deploying resources in fulfilment of the plan rests with the Head of Audit Partnership.

Other Work

Consultancy

21. The Standards allow that Internal Audit resource may sometimes be more usefully focussed towards providing advice rather than assurance. Where appropriate, the service may act in a consultancy capacity by giving guidance, providing that:

- The objectives of the engagement address governance, risk management or internal control,
- The request has been approved by the Director of Finance & Corporate Services (s151 Officer) (or delegated officer),
- The service has the right skills, experience and available resource, and
- The Audit Partnership’s involvement will not constitute a conflict of interest, compromise the appearance or fact of its independence and will not involve assuming a management role in providing advice.

22. The Head of Audit Partnership is responsible for ensuring all requests are reviewed in accordance with the above criteria and for making the final decision. The specific role of the Audit Partnership in any particular engagement will be agreed with the sponsor, documented within the assignment plan and reported to the Audit & Governance Committee at the next opportunity.

23. With respect to significant requests, defined as those which require the purchase of additional resources or major amendment to the agreed audit plan, the Head of Audit Partnership will consult the Chair of the Audit & Governance Committee before accepting the engagement.
**Risk Management**

24. The Audit Partnership’s role is Risk Management will be guided by the Institute of Internal Auditors position paper on *The Role of Internal Auditing in Enterprise-Wide Risk Management*. The Audit Partnership will not undertake roles defined as inappropriate by that guidance.

25. The position paper lists the following as legitimate internal audit roles with safeguards:

- Co-ordinating risk management activities,
- Consolidated risk reporting,
- Developing a risk approach for approval and its subsequent maintenance,
- Facilitating identification and evaluation of risks, and
- Coaching management in responding to risks.

26. The Council’s *Risk Management Strategy* allows for the Audit Partnership to undertake all of those roles providing safeguards are in place and agreed through the Audit Charter. The safeguards include:

- Internal separation of duties within the Audit Partnership, managed through the Deputy Head of Audit Partnership role. The Deputy Head of Audit Partnership will lead on reviews of the risk management approach which are reported separately to the Audit & Governance Committee and sponsored by the Director of Finance & Corporate Services (s151 Officer).
- The Audit Partnership’s resource input into risk management will be approved each year by the Audit & Governance Committee through the Audit Plan and monitored through update reports.
- Overall responsibility for approving the risk management approach remains Cabinet acting on the advice of the Council’s management team. The Audit & Governance Committee retains its constitutional role of conducting its own assessments on the effectiveness of the Council’s risk management approach which may, if required, also include independent review.

27. Although not part of the Council’s internal controls, the Audit & Governance Committee may also draw assurance from any work completed by the Council’s external auditors in completing their work supporting the Value For Money Conclusion.
**Counter Fraud**

28. The Audit Partnership’s role on Counter Fraud will be in accordance with the Council’s *Counter Fraud Strategy* and with the resources approved by the Audit & Governance Committee in the Annual Audit Plan.

29. This role may include developing and maintaining relevant policies, including an overall *Counter Fraud Strategy* for approval by appropriate officer and Member groups as required by the Council’s constitution.

30. The Audit Partnership may also undertake training and awareness raising activity for officers and Members on the Council’s *Counter Fraud Strategy* and related policies and procedures. Such training will be undertaken in consultation with appropriate officer groups.

31. The Audit Partnership may assist or lead, as needed, in the identification and investigation of suspected fraudulent activities within the Council and notify Management and the Audit & Governance Committee of the results. This may include examining matches identified by the National Fraud Initiative, the Kent Intelligence Network or any other data matching activities.

32. Where a significant investigation requires purchase of additional resource or amendment to the agreed audit plan the Head of Audit Partnership will consult the Chair of the Audit & Governance Committee after discussion with the Director of Finance & Corporate Services (s151 Officer).

**Major Projects**

33. The Audit Partnership will be informed of major projects and their progress through continuing discussion with Management. The Audit Partnership’s response to major projects will be proportionate to the risk in terms of the inclusion of specific audit work within the annual audit plan. Where a project team seeks advice or further support from Internal Audit, we will treat that request as one for consultancy support as described from paragraph 21.
Relationships

34. The Head of Audit Partnership and the audit team are involved in a wide range of relationships whose quality is important in supporting the effective delivery of the audit function.

*Relationships with management*

35. The Audit Partnership will maintain effective relationships with managers at the Council. This will include consultation in the audit planning process both at an overall plan level and with respect to the scope of individual audit projects as well as regular meetings with key stakeholders. Timing of audit work will also be agreed in conjunction with Management.

*Relationships with external auditors and regulators*

36. The Audit Partnership and Grant Thornton LLP have an established and sound working relationship described in more detail within the *Internal/External Audit Protocol* presented to the Audit & Governance Committee in March 2014. Each will continue to rely upon and draw from each other’s work subject to the limits and duties determined by our respective responsibilities and professional standards. This enables evaluation and review of work leading to re-performance only where necessary. The Audit Partnership and Grant Thornton LLP will meet regularly and share plans and reports.

37. The Audit Partnership will also take account of the results and reports from any other external inspections or reviews when planning and undertaking audit work. Where appropriate the Head of Audit Partnership or appropriately delegated representative will represent the service in consultation and discussion with external agencies, inspectors or regulators.

*Relationships with Members*

38. The Head of Audit Partnership will be the first point of contact for Members, in particular members of the Audit & Governance Committee. However, the Audit Partnership places great store in gaining and maintaining an effective working relationship with Members and so will foster good contacts throughout the internal audit service as appropriate.

39. The Head of Audit Partnership will have the opportunity to meet separately (that is, without other officers in attendance) with the Chair of the Audit & Governance Committee and other Members if desired.

*Standards of internal audit practice*

40. This Charter recognises the mandatory nature of the IIA definition of Internal Auditing and Code of Ethics, the Public Sector Internal Audit Standards and the IPPF. The Audit Partnership comply with these standards.
Quality assurance

41. The Standards require that audit be subject to a quality assurance and improvement programme. For the Audit Partnership, that programme incorporates both internal and external elements.

*Internal assurance*

42. All audit engagements are subject to review by management prior to finalisation. These reviews seek to ensure that work undertaken is consistent with the Standards, consistent with the risks associated with the area under review and that conclusions are supported by detailed work undertaken. The Audit Partnership varies the range and scope of reviewers to help maintain consistency and support learning within the service.

*External assurance*

43. An external assessment must be conducted at least once every five years by a qualified, independent assessor from outside the organisation. The Audit Partnership’s most recent such assessment was completed by the Institute of Internal Auditors in 2014, with results reported to the Audit & Governance Committee. The Head of Audit Partnership will keep the need for external assurance under review and discuss options with the Director of Finance & Corporate Services (s151 Officer) and the Audit & Governance Committee as the need arises.

*This Charter is authorised within Tunbridge Wells Borough Council:*

Director of Finance & Corporate Services (s151 Officer): Lee Colyer

Audit & Governance Committee Chair: Councillor Len Horwood

*With the agreement of:*

Head of Audit Partnership: Rich Clarke

Mid Kent Services Director: Paul Taylor

*Agreed by Audit Committee: 29 March 2016*

*Next Review required: Annually*
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This report makes the following recommendations to the final decision-maker:

1. The Audit & Governance Committee notes progress towards implementing recommendations in Mid Kent Audit’s report on the Council’s Data Protection Controls.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

**Timetable**

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Governance Committee</td>
<td>29 March 2016</td>
</tr>
</tbody>
</table>
Data Protection Update

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 As requested by the Audit & Governance Committee at its meeting in December 2015, this report provides an update from Mid Kent Audit on the Council’s progress towards implementing the recommendations set out in the October 2015 ‘weak’ assurance rated report on Data Protection.

1.2 This report focuses on and describes activities reviewed and verified by Mid Kent Audit. The Council’s Senior Information Risk Officer – Lee Colyer – will be present at the meeting and able to respond to Member enquiries on the Council’s future implementation plans.

2. INTRODUCTION AND BACKGROUND

2.1 In October 2015 Mid Kent Audit completed a review of Data Protection at Tunbridge Wells Borough Council. The review concluded that controls offered only a Weak level of assurance. The report made audit recommendations, including one high priority, one medium priority and two low priority recommendations, all of which were accepted by management who undertook to deliver their implementation in line with the agreed action plan. A summary of this audit review was reported to Audit & Governance Committee on 8 December 2015 as part of Mid Kent Audit’s scheduled interim 2015/16 report.

2.2 At that meeting, Audit & Governance Committee Members asked that the Head of Audit Partnership provide an update on the implementation of these recommendations at the March 2016 Audit & Governance Committee meeting.

2.3 The table below provides a brief summary of verified progress to date:

<table>
<thead>
<tr>
<th>Project</th>
<th>Agreed actions</th>
<th>Falling due by 31/12/2015</th>
<th>Actions Completed</th>
<th>Deferrals agreed</th>
<th>Actions not yet due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Protection</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

2.4 The recommendation fully implemented is the one rated high priority – that the Council should develop and circulate guidance on how to identify and handle breaches of the Data Protection Act. In the course of our work following up recommendations we were able to verify that guidance working in practice.

2.5 The two recommendations originally scheduled for implementation by 31 December 2015 were updating the Data Protection policy (rated as medium priority) and expanding the Document Retention policy to acknowledge data protection requirements (low priority).
2.6 In both instances, implementation has been delayed due to the long term sickness absence of a key officer within Mid Kent Legal Services charged with updating the guidance. The officer has now returned and we are aware of progress on both recommendations, including that a full policy has been prepared in draft and reviewed by the Council’s Information Governance Group earlier this month. Consequently we were content to accept the suggestion of the service to postpone the implementation date for each recommendation until 1 July 2016.

2.7 Our decision to accept a deferral was guided by two main considerations. Firstly, we were aware that the recommendations had not stalled or been forgotten and progress – albeit progress short of full implementation – had occurred. Secondly we acknowledge that the raised profile of Data Protection across the Council brought about by our report and the actions of the SIRO have had the short term effect of keeping Data Protection issues visible and so lowering the risk of breach. Of course, in the longer term having appropriate policies in place will sustain these improvements, but we were satisfied that the Council is not placed at significant raised risks by a deferral.

2.8 We will follow up both recommendations when they fall due as per the revised timetable.

2.9 The fourth recommendation (rated as medium priority) related to rolling out a training programme on Data Protection. This recommendation is not due for implementation until later in 2016 so will be followed up then, but again we are aware of progress towards including discussion of the most effective methods to deliver training.

2.10 Notwithstanding any further specific updates Members may request, we will report on implementation of these recommendations alongside the full set of 2015/16 recommendations as part of our Annual Report at the next meeting of this Committee.

3 AVAILABLE OPTIONS

3.1 This report is provided for information and comment only.

4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 This report is provided for information and comment only and makes no substantive recommendations.

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

Page 127
5.1 An earlier draft of this report was shared with the Council's Information Governance Officer group and reflects feedback from that meeting.

6 CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off (name of officer and date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal including Human Rights Act</td>
<td>None identified at this stage.</td>
<td>Frankie Smith Audit Manager 9 March 2016</td>
</tr>
<tr>
<td>Finance and other resources</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Staffing establishment</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Risk management</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Environment and sustainability</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Community safety</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Health and Safety</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Health and wellbeing</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Equalities</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
</tbody>
</table>

7 REPORT APPENDICES

There are no appendices to this report.

8 BACKGROUND PAPERS

None.
Audit & Governance Committee

29 March 2016

Is the final decision on the recommendations in this report to be made at this meeting? N/A

Strategic Risk Update

<table>
<thead>
<tr>
<th>Final Decision-Maker</th>
<th>Audit &amp; Governance Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Holder</td>
<td>Councillor Barrington-King</td>
</tr>
<tr>
<td>Lead Director</td>
<td>Lee Colyer – Director of Finance &amp; Corporate Services (s151 Officer)</td>
</tr>
<tr>
<td>Head of Service</td>
<td>Jane Clarke – Head of Policy &amp; Governance</td>
</tr>
<tr>
<td>Lead Officer/Report Author</td>
<td>Rich Clarke – Head of Audit Partnership</td>
</tr>
<tr>
<td>Classification</td>
<td>Non-Exempt</td>
</tr>
<tr>
<td>Wards affected</td>
<td>All</td>
</tr>
</tbody>
</table>

This report makes the following recommendations to the final decision-maker:

1. The Committee notes the risk management report and arrangements for managing strategic risk.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

Timetable

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance &amp; Governance Cabinet Advisory Board</td>
<td>22 March 2016</td>
</tr>
<tr>
<td>Audit &amp; Governance Committee</td>
<td>29 March 2016</td>
</tr>
</tbody>
</table>
Strategic Risk Update

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 The report sets out the Strategic Risks identified by the Council and currently being managed and tracked by Senior Management. The report provides a current update on the evaluated threat level and controls in place for each risk issue.

2. INTRODUCTION AND BACKGROUND

2.1 The risks included in the report were initially developed in a risk management workshop facilitated by Zurich Management Services on 10 December 2013, with the risks being formally adopted by Cabinet on 16 May 2014. Since that time, risk owners have kept the risks and controls under review with periodic reporting both to Cabinet and the Audit & Governance Committee.

2.2 The Council’s Management Board have also completed periodic overall reviews of the risks identified including adding new risks as circumstances develop (the most recent addition being Risk Scenario 10 – Development Programme – added in October 2014).

3. AVAILABLE OPTIONS

3.1 There is no legal requirement on the authority to formally monitor its risks, still less is there a defined framework to do so. Although failing to monitor and record risks will leave the Council vulnerable to external criticism – for example by its external auditors who are required to assess the effectiveness of risk management when considering their annual Value For Money conclusion – the Council could decide that is a price worth paying against using some of its resources to identify and monitor risk.

3.2 Even accepting the utility in gathering systematic monitoring information on the risks it faces, there is a wide range of different approaches the Council might adopt. Even if one looks solely at the local government sector, there are myriad formats, structures and arrangements adopted to record and present information to senior officers and Members.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The report sets out the risks using the methodology and format previously agreed by the Council, which is essentially the method advocated by Zurich from the 2013 risk workshop.
5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The strategic risk register has undergone period review and examination by Management Board, Cabinet and the Audit & Governance Committee. This stands in addition to ongoing monitoring by the identified risk owners. This report incorporates feedback and updates from all sources.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off (name of officer and date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal including Human Rights Act</td>
<td>None identified at this stage.</td>
<td>Rich Clarke Head of Audit Partnership 9 March 2016</td>
</tr>
<tr>
<td>Finance and other resources</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Staffing establishment</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Risk management</td>
<td>Risk management is the subject of the report but it does not of itself raise new risk issues for consideration.</td>
<td></td>
</tr>
<tr>
<td>Environment and sustainability</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Community safety</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Health and Safety</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Health and wellbeing</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
<tr>
<td>Equalities</td>
<td>None identified at this stage.</td>
<td></td>
</tr>
</tbody>
</table>

7. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Strategic Risk Register Update March 2016
- Appendix B: TWBC Financial Outlook

8. BACKGROUND PAPERS

None.
Strategic Risk Update March 2016

The Strategic Risk Profile chart below shows each risk scored onto the risk matrix graph. The further towards the top right hand corner the greater the risk to the Council. This is a dynamic and not always linear process; circumstances could mean changes in direction, identification of new risks or existing risks becoming resolved. The chart below provides only a snapshot on, a particular date.

The risk scenarios are:

- CSR01: Cinema site remains undeveloped
- CSR02: Unable to maximise economic opportunities and resolve infrastructure issues
- CSR03: Resident engagement
- CSR04: Unable to plan financially over the longer term
- CSR05: National policy changes in short term impact negatively on TWBC and direction
- CSR06: Missing something significant (dropping the ball)
- CSR07: Unable to meet expectations within resources
- CSR08: Inspector decision which challenges housing targets versus housing supply
- CSR09: Not managing control and change effectively
- CSR10: Development programme

Tunbridge Wells Borough Council
Strategic Risk Profile March 2016
The table below tracks movement in the identified strategic risk areas since initial approval by Cabinet in April 2016.

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Title</th>
<th>June 2014</th>
<th>March 2015</th>
<th>March 2016</th>
<th>2 Year Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR 01</td>
<td>Cinema site remains undeveloped</td>
<td>15</td>
<td>15</td>
<td>12</td>
<td>↓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5 x Lk, 3 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td>(4 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 02</td>
<td>Unable maximise economic opportunities and resolve infrastructure issues</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>↔️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5 x Lk, 3 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 03</td>
<td>Resident Engagement</td>
<td>12</td>
<td>9</td>
<td>9</td>
<td>↓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4 x Lk, 3 x Im)</td>
<td>(3 x Lk, 3 x Im)</td>
<td>(3 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 04</td>
<td>Unable to plan financially over the longer term</td>
<td>18</td>
<td>18</td>
<td>12</td>
<td>↓</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>(6 x Lk, 3 x Im)</td>
<td>(4 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 05</td>
<td>National Policy changes in short term impact negatively on TWBC and direction.</td>
<td>12</td>
<td>18</td>
<td>18</td>
<td>↔️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6 x Lk, 2 x Im)</td>
<td>(6 x Lk, 3 x Im)</td>
<td>(6 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 06</td>
<td>Missing something significant(dropping the ball)</td>
<td>8</td>
<td>15</td>
<td>15</td>
<td>↑️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4 x Lk, 2 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 07</td>
<td>Unable to meet expectations within resources</td>
<td>10</td>
<td>15</td>
<td>15</td>
<td>↑️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5 x Lk, 2 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 08</td>
<td>Inspector decision which challenges housing targets vs housing supply</td>
<td>16</td>
<td>16</td>
<td>12</td>
<td>↓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4 x Lk, 4 x Im)</td>
<td>(4 x Lk, 4 x Im)</td>
<td>(4 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 09</td>
<td>Not managing control and change effectively</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>↔️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4 x Lk, 3 x Im)</td>
<td>(4 x Lk, 3 x Im)</td>
<td>(4 x Lk, 3 x Im)</td>
<td></td>
</tr>
<tr>
<td>CSR 10</td>
<td>Development programme</td>
<td>n/a</td>
<td>15</td>
<td>15</td>
<td>↔️</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(5 x Lk, 3 x Im)</td>
<td>(5 x Lk, 3 x Im)</td>
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</tr>
</tbody>
</table>
## Risk Scenario 1: Cinema site remains undeveloped

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
<th>Significance (4) / Severe(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cinema Site</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>David Jukes</th>
<th>Officer Risk Owner</th>
<th>Jonathan MacDonald</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Vulnerability/ Contributing factors</th>
<th>Potential Impact/ Consequences</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
</table>
| The Cinema Site has a significant impact on the overall perception and reputation of Tunbridge Wells. Resolving the lack of progress on this site is not wholly within the Council’s control | • Damage to reputation  
• Curtails attractiveness and discourages new investment in the Town Centre | • Pressure applied by senior officers on land owners to speed up selection of preferred developer. Planning and Development Director in regular phone contact with Carlyle. Planning meetings held with x 4 developers to inform their bids for the site. Offers also made by TWBC to hold meetings with funders if prospective developers consider it helpful. |
**Risk Scenario 2:** Being unable to maximise economic opportunities and resolve infrastructure issues

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
<th>Officer Risk Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic development and infrastructure</td>
<td>High (5) / Severe (3)</td>
<td>David Candlin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>Jane March/Alan McDermott</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Vulnerability/ Contributing factors</th>
<th>Potential Impact/ Consequences</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>• There are economic opportunities but other areas are also chasing these.</td>
<td>• Lose out to other areas</td>
<td>• Delivery by Highways Agency of A21 Tonbridge to Pembury dualling.</td>
</tr>
<tr>
<td>• The local economic offer and reputation is strong and improving with latent demand, particularly in retail and ‘in town’ while the Council has developed wider Borough opportunities, e.g. North Farm.</td>
<td>• Unable to secure sufficient opportunities</td>
<td>• Delivery of North Farm infrastructure improvements.</td>
</tr>
<tr>
<td>• There are issues around cost of housing and infrastructure, particularly traffic congestion which could affect ability to make the most of opportunities.</td>
<td>• Local area and people lose out</td>
<td>• Secure KMEP and SELEP support for delivery of key infrastructure improvements.</td>
</tr>
<tr>
<td></td>
<td>• Insufficient inward investment</td>
<td>• Maintain and develop working relationships with key partners, landowners &amp; developers.</td>
</tr>
<tr>
<td></td>
<td>• Impact on economic vitality of area</td>
<td>• Ensure Local Plan and Transport Strategy address economic &amp; transport issues.</td>
</tr>
<tr>
<td></td>
<td>• Curtails attractiveness</td>
<td>• Development Advisory Panel to review and inform Council development programme.</td>
</tr>
<tr>
<td></td>
<td>• Impact on revenue streams and income</td>
<td>• Professional advice sought to establish viability and support delivery of Council development programme schemes.</td>
</tr>
<tr>
<td></td>
<td>• Suffer in comparison to others</td>
<td>• Professional advice secured to establish viability of transport schemes</td>
</tr>
</tbody>
</table>
## Risk Scenario 3: Resident engagement

<table>
<thead>
<tr>
<th>Risk Description: Local engagement</th>
<th>Likelihood/Impact</th>
<th>Low (3) / Severe (3)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>David Jukes</th>
<th>Officer Risk Owner</th>
<th>William Benson</th>
</tr>
</thead>
</table>

### Vulnerability/ Contributing factors

<table>
<thead>
<tr>
<th>Potential Impact/ Consequences</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a result of the significant financial pressures it is experiencing, the Council has discontinued a number of the mechanisms it has used to engage with residents including Ward Walks and annual residents’ surveys.</td>
<td>- The Council has set up a number of forums/advisory groups representing parish councils, residents, retailers and businesses.</td>
</tr>
<tr>
<td>Local engagement is crucial in place shaping and future direction. There is a need to ensure mechanisms are in place to ensure that decisions are grounded in empirical evidence.</td>
<td>- The Council has undertaken a Borough-wide survey.</td>
</tr>
<tr>
<td>• Direction and decisions out of line with public opinion</td>
<td>- The Council makes proactive use of social media both to listen and to engage with residents.</td>
</tr>
<tr>
<td>• Impact on key areas, e.g. growth or economic development</td>
<td>The Council will engage comprehensively as part of the process of updating the Five Year Plan and as part of the various significant projects contained within it.</td>
</tr>
<tr>
<td>• Directing resources to wrong areas, potentially away from areas of most need</td>
<td></td>
</tr>
</tbody>
</table>

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## Risk Scenario 4: Unable to plan financially over the longer term

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Longer Term Financial Planning</strong></td>
<td>Very High (4) /Severe (3)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>Officer Risk Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cllr Paul Barrington-King</td>
<td>Lee Colyer</td>
</tr>
</tbody>
</table>

### Vulnerability/ Contributing factors

- Core Government funding has reduced significantly in favour of incentive based schemes reliant on growth.
- The government have offered a four year funding settlement from 2016/17 which would result in Revenue Support Grant (£1.6 million) disappearing.
- A negative grant is still a possibility in 2019/20.
- There is a review underway on the New Homes Bonus scheme.
- There is a change in the rate and trajectory of fees and charges with a mismatch between demand and revenue. A lack of flexibility here can make it difficult to manage demand flow.
- The Infrastructure Bill will transfer the statutory responsibility for Land Charges to the Land Registry. This will substantially reduce the Councils income and write-off the investment in technology and performance in this area. There is also a risk to the public and local businesses as national government computer projects have a poor track record of delays, budget overspends and delivering expected outcome.

### Potential Impact/ Consequences

- Reactive decision making and budgeting rather than planning.
- Short term perspective reinforced.
- Central control of fees, burdens the Council Tax payer rather than the user of the service.
- Impact on decisions.
- Unpredictability and trust.
- Resources and staffing reduced or redeployed.
- Impact on staff retention.
- Credibility damaged.
- Impact on partnership working.
- Missed opportunities to collaborate.

- Revenue budget balanced without the use of general reserves.
- MTFS has manageable deficits.
- Reducing exposure to changes to government funding such as Revenue Support Grant and New Homes Bonus.
- User Pays Principle to recover costs where allowable.
- Government has provided more flexibility surrounding Council Tax income, and a review of Planning and Licensing Fees is underway.
### Risk Scenario 5: National policy changes in short term that impact negatively on TWBC and on direction

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government policy changes</td>
<td>Very High (6) / Severe (3)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>Officer Risk Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Jukes</td>
<td>William Benson</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vulnerability/ Contributing factors</th>
<th>Potential Impact/ Consequences</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
</table>
| • The past five years have been characterised by significant changes to the public sector environment and the regulations that govern it. Further significant changes will be taking place following in the wake of the General Election as manifesto commitments are delivered. Significant changes are being proposed in the area of planning and finance (including a fundamental review of needs assessment and Business Rates announced in the financial settlement) and there is also the potential for local government reorganisation following the inclusion of an amendment into the Cities and Local Government Devolution Act. | • Changes to external environment in which TWBC operates  
• Unpredictability and frequent changes required to Council operations  
• Increased costs | • Flexibility encouraged amongst staff.  
• Partnership working presents opportunities to collaborate (e.g. in areas such as welfare reform).  
• Constant monitoring of changes being proposed or introduced.  
• Engagement with the LGA and central government.  
• Proactive work with representative bodies. |
## Risk Scenario 6: Missing something significant (£100k – 250k impact) – ‘dropping the ball’

<table>
<thead>
<tr>
<th>Risk Description: Reduced staff and management resources</th>
<th>Likelihood/Impact</th>
<th>High (5) / Severe(3)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>David Jukes</th>
<th>Officer Risk Owner</th>
<th>Lee Colyer</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Vulnerability/ Contributing factors</th>
<th>Potential Impact/ Consequences</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
</table>
| The Council has reduced staff numbers and resources with a loss of a number of specialist posts and increased working in partnership with other Authorities. | \- Key person dependency  
\- Staff being pulled in different directions  
\- Pressure on staff  
\- Loss of knowledge  
\- Fail to respond to legislative or regulatory requirements  
\- Mistakes made/things missed  
\- Complaints  
\- Claims/Legal action/Compensation  
\- Adverse publicity  
\- National and local reputation affected  
\- Financial loss  
\- Greater Exposure to fraud and transparency requiring worldwide publication | \- Health & Safety added as a standing item to MB and MT Agenda  
\- Resilience through partnership working  
\- Shared expertise through partnership working  
\- Review of EP arrangements following recent sustained flooding  
\- Internal Audit identify areas where controls need to be improved – action is then taken by management  
\- Management Board consider risk on a quarterly basis – including horizon scanning  
\- Further communication to staff will be provided on requirements and risks from additional transparency rules.  
\- Information Governance Forum established.  
\- Designation of a Senior Information Risk Officer. |
## Risk Scenario 7: Being unable to meet expectations within resources

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced resources/increased demands and expectations</td>
<td>High (5) / Severe (3)</td>
<td></td>
</tr>
</tbody>
</table>

**Member Risk Owner**: David Jukes  
**Officer Risk Owner**: William Benson

### Vulnerability/ Contributing factors
- The Council has reduced staff numbers and resources but is more ambitious with more priorities and is seeking to do more than before.
- The local community is vocal, demanding and articulate with significant expectations.

### Potential Impact/ Consequences
- Increased stress and strain
- Impact on morale
- Reliance on key and fewer people
- Services/staff are stretched
- Impact on service quality
- Satisfaction diminished
- Campaigns launched by local community
- Adverse publicity
- Resources required to respond to campaigns
- Damage to reputation

### Current Controls/ Mitigations in place
- Reduced number of priorities in strategic plan
- Regular consideration by Management board of resources and additional resources put in place to support priorities (including additional resources recently agreed to support the Council’s property section).
- Appropriate use of external capacity and expertise.
- Performance monitoring helps to identify pressure points
- Regular sickness monitoring
- Quarterly analysis and reporting of complaints identifying any trends
- Identifying resilience through partnerships
- Adopting an "enabling” approach to encourage community to deliver local services
## Risk Scenario 8: Inspector decision which challenges housing target vs housing supply

<table>
<thead>
<tr>
<th>Risk Description: Housing target/supply</th>
<th>Likelihood/Impact</th>
<th>Significant (4) / Severe (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member Risk Owner</strong></td>
<td>Alan McDermott</td>
<td>Officer Risk Owner</td>
</tr>
<tr>
<td><strong>Officer Risk Owner</strong></td>
<td>Jane Lynch</td>
<td></td>
</tr>
</tbody>
</table>

### Vulnerability/ Contributing factors

- There has been a change in housing formula towards growth. There is resistance to housing growth locally with a difference between housing target and housing supply levels.
- The statutory revision to the method of calculating housing need, “Objectively Assessed Need” (OAN) indicates that the Borough’s need is more than doubled. Whilst this is before consideration is given to reductions because of constraints this effectively means that policies limiting development to within the limits of built development fall away.
- Risk of appeals has increased.

### Potential Impact/ Consequences

- Council lose control of situation
- Increase in level of housing on greenfield sites
- Member and community dissatisfaction
- Increased traffic congestion
- Impact on infrastructure
- Financial benefit of planned growth – opportunity impact
- Significant new costs to support production of new Core Strategy/Local Plan
- Potential significant appeal related costs following refusal of major residential development
- Planning by appeal potentially leading to loss of New Homes Bonus
- Potential legal fees/officer costs/loss of section 106

### Current Controls/ Mitigations in place

- Work on new Local Plan has commenced.
- Outcome of Examination for Site Allocations DPD is awaited – pending consultation
- Regular reporting to Planning Policy Working Group/Cabinet member/Planning Committee on risk and legislative changes
- Restructure of Planning Team to support flexible working
- Consideration by the constitutional working party.
### Risk Scenario 9: Not managing control and change effectively – Staff, Management, and Political

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
<th>Potential Impact/Consequences</th>
</tr>
</thead>
</table>
| Shared Services – control and change   | Significant (4)/ Severe (3) | • Staff dissatisfaction/loss of goodwill  
• Service delivery affected  
• Strain on people working in partnership  
• Impact felt by wider organisation  
• Political dissatisfaction |
| Member Risk Owner                      | David Jukes       | Officer Risk Owner: William Benson | Current Controls/ Mitigations in place |

<table>
<thead>
<tr>
<th>Vulnerability/ Contributing factors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Council is involved in joint service arrangements around a number of service areas (most notably MKIP)</td>
<td></td>
</tr>
<tr>
<td>• Managerial responsibility for these services is largely within other authorities which limits control of the services and their ability to contribute towards ‘corporate’ initiatives (such as emergency planning)</td>
<td></td>
</tr>
<tr>
<td>• Issues with the shared Planning Support service have placed some strain on relationships which is being addressed.</td>
<td></td>
</tr>
</tbody>
</table>

• MKIP is overseen by both a Board and shared service boards.  
• Work is underway to strengthen the operation of the ‘client side’ through shared service boards.  
• A Mid Kent Services Director has been appointed on a trial basis to provide a greater sense of direction and ‘esprit de corps’ within Mid Kent Services.  
• Reviews will be undertaken of the implementation of shared services to learn lessons.
### Risk Scenario 10: Development Programme

<table>
<thead>
<tr>
<th>Risk Description:</th>
<th>Likelihood/Impact</th>
<th>Current Controls/ Mitigations in place</th>
</tr>
</thead>
</table>
| Development Programme | High (5) / Severe(3) | • Development Advisory Panel (DAP) to review and inform Council development programme.  
• Officer Group established to manage and control programme.  
• Professional advice sought to establish viability and support delivery of Council development programme schemes.  
• Utilisation of framework agreements where appropriate to manage procurement timetables.  
• Specific risk logs developed for each development site and monitored by DAP and Officer Group.  
• Staged approvals for development progress to manage cost exposure and risk  
• Appointment of additional professional staff to enhance in house experience |

<table>
<thead>
<tr>
<th>Member Risk Owner</th>
<th>Officer Risk Owner</th>
<th>Vulnerability/ Contributing factors</th>
<th>Potential Impact/ Consequences</th>
</tr>
</thead>
</table>
| David Jukes       | David Candlin      | • The Council has identified a number of development opportunities to support the growth of the local economy.  
• Development of these Council owned sites is to be led by the Council which brings additional financial and property risks. | • Impact on revenue streams and income  
• Damage to reputation  
• Insufficient professional expertise  
• Procurement and issues of delay  
• Economic climate |

Appendix A
TWBC Financial Outlook

Revenue Budget Summary

On 24 February 2016 Full Council approved the budget for 2016/17; the headlines are as follows:

- A reduction in government funding of £781,000 (-49% on 2015/16);
- No new increase in car parking charges or residents’ permits;
- No major reductions to services;
- No use of general reserves; and
- Council Tax will increase by an average of £4.98 a year for a Band D property.

Government Funding

Comprehensive Spending Review (SR2015)

In November 2015 the Government published its spending plans for the life of this Parliament. This confirmed that many more government departments would be protected from funding reductions unlike local government which will continue to shoulder the greatest cuts. The Departmental Expenditure Limits for the Department of Communities and Local Government (DCLG) showed a reduction of 16.5 per cent for 2016/17 which was in line with the Council’s budget modelling.

It was confirmed that Revenue Support Grant (£1.6 million) would disappear by 2020; whilst not ideal at least with 4 years’ notice a sensible approach could be developed to manage the loss of central government funding.

The Government also said there would be a review of the New Homes Bonus Scheme (£1.8 million) despite this being launched as a ‘permanent incentive to deliver housing growth’. This is disappointing but with TWBC receiving the lowest allocation in Kent the challenge will not be as devastating as elsewhere.

Financial Settlement 2016/17

In December 2015 the DCLG published the provisional settlement. However, rather than the 16.5% reduction expected, this Council was notified that Revenue Support Grant (RSG) would be cut by 49%. This is because the DCLG decided to change the methodology for distributing cuts to individual councils (without the usual technical consultation). This surprised everyone and took into account the following:

- Distributing more funding to those tiers of authorities who provide adult social care.
- Greater cuts to those areas that collect the most income from Council Tax.

The Council was hoping to be financially self-sufficient by 2020 but the above changes in distribution brought this forward by 2 years and also results in negative RSG (i.e. this Council will need to fund other parts of the country).

This is illustrated in the following graph:
Greater flexibility

Whilst the above is quite shocking and creates a question mark surrounding the issue of trust, the Government did listen to some of the concerns put forward as part of the consultation and agreed the following:

- The most economical councils can increase Council Tax by £5 per year and the Government now assumes that this Council will do so for the next four years in their analysis. Parish and town councils still have no upper limit.

- A review of planning and licensing fees will be undertaken to help close the gap between cost and income.

- The option to accept a four-year settlement

Conclusion

Back in 2010 this Council received £6 million in government grant towards the funding of local services. The level of cuts cannot be sustained especially given the lean and efficient base from which this Council operates.

The financial settlement now creates a precedent that funding can go negative.

The public overwhelmingly have said that this Borough is an attractive place to live, work and visit. Fundamental to this attractiveness are facilities such as: award winning parks, a quality shopping centre, theatres, museum, leisure facilities, low crime (CCTV), tourism and even an ice rink. All of these are provided by the Borough Council. However, without the funding or flexibilities these services could start to deteriorate against the wishes of residents.

Lee Colyer - Director of Finance and Corporate Services
Is the final decision on the recommendations in this report to be made at this meeting? Yes

**External Audit Plan**

<table>
<thead>
<tr>
<th>Final Decision-Maker</th>
<th>Audit and Governance Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Holder(s)</td>
<td>Cllr. Paul Barrington-King</td>
</tr>
<tr>
<td>Lead Director</td>
<td>Lee Colyer, Director of Finance and Corporate Services</td>
</tr>
<tr>
<td>Head of Service</td>
<td>Jane Fineman, Head of Finance and Procurement</td>
</tr>
<tr>
<td>Lead Officer/Report Author</td>
<td>Lee Colyer, Director of Finance and Corporate Services</td>
</tr>
<tr>
<td>Classification</td>
<td>Non-exempt</td>
</tr>
<tr>
<td>Wards affected</td>
<td>All</td>
</tr>
</tbody>
</table>

This report makes the following recommendation to the final decision-maker:

1. That the Audit and Governance Committee consider and agree the appended audit plan.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Confident Borough

**Timetable**

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Board</td>
<td>15 March 2016 (verbal update)</td>
</tr>
<tr>
<td>Discussion with Portfolio Holder</td>
<td>14 March 2016</td>
</tr>
</tbody>
</table>
External Audit Plan

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report outlines the audit work that the external auditor, Grant Thornton, proposes to undertake for the audit of the 2015/16 financial statements and the value for money assessment.

2. INTRODUCTION AND BACKGROUND

2.1 Each year the external auditor undertakes an audit of the draft financial statements of the Council over the summer. This Committee then usually considers the findings of the audit along with the audited financial statements at the September meeting. However, in preparation for the earlier statutory completion date, this Council has volunteered to undertake this process a year earlier and has set a target of being in a position to have the financial statements all finalised at the meeting of this Committee on 26 July 2016.

2.2 The audit of the financial statements is planned on a risk-based approach and reflects:

- Audit work specified by the external auditor for 2015/16;
- Current national risks relevant to local circumstances; and
- The Council’s local risks.

2.3 The Audit Commission’s Statement of Responsibility of Auditors and Audited Bodies sets out the respective responsibilities of the auditor and the audited body.

2.4 The audit work will be undertaken in compliance with the statutory requirements governing audit work, in particular:

- The Local Audit and Accountability Act 2014;
- International Standard on Auditing (UK & Ireland) 260; and
- The Code of Audit Practice for Local Authorities.

2.5 At the conclusion of the audit the external auditor will issue an audit report giving an opinion on whether the accounts give a true and fair view of the financial position of the Council as at 31 March 2016.

2.6 A copy of the audit plan is attached as an appendix to this report. The proposed fees are £63,374 (last year’s £68,306).
3. AVAILABLE OPTIONS

3.1 The Audit and Governance Committee could choose not to accept the proposed audit plan.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The audit plan sets out the audit work proposed by the external auditors for the audit of the 2015/16 financial statements.

4.2 The Audit and Governance Committee’s function and delegations, as outlined in its constitution and terms of reference state, that it should:

- agree the external audit plan for the year;
- approve the cost of the audit;
- consider specific reports as agreed with the external audit work and ensure it gives value for money; and
- comment on the scope and depth of external audit work to ensure it gives value for money.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The external auditor has consulted with the Chief Executive and the Director of Finance and Corporate Services. The Audit and Governance Committee is now being asked for their approval.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 This report will be published on the Council’s website and the Committee will consider the delivery of the audit plan as part of the audit findings report once the financial statements have been completed.

7. CROSS-CUTTING ISSUES AND IMPLICATIONATIONS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal including Human Rights Act</td>
<td>The Audit and Governance Committee has a legal obligation for the Council’s governance arrangements.</td>
<td>Head of Legal</td>
</tr>
<tr>
<td>Finance and other resources</td>
<td>The areas that are assessed form a significant part of the workload of the Finance Section.</td>
<td>Head of Finance and Procurement</td>
</tr>
<tr>
<td>Staffing establishment</td>
<td>There are no new staffing implications.</td>
<td>Head of HR or deputy</td>
</tr>
<tr>
<td><strong>Risk management</strong></td>
<td>This is assessed as part of the value for money conclusion.</td>
<td>Head of Audit Partnership, Deputy Head of Audit Partnership or Audit Manager</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td>There are no new environmental implications.</td>
<td>Sustainability Manager</td>
</tr>
<tr>
<td>and sustainability</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community safety</strong></td>
<td>There are no new community safety implications.</td>
<td>Community Safety Manager</td>
</tr>
<tr>
<td><strong>Health and Safety</strong></td>
<td>There are no new health and safety implications.</td>
<td>Health and Safety Advisor</td>
</tr>
<tr>
<td><strong>Health and wellbeing</strong></td>
<td>There are no new health and wellbeing implications.</td>
<td>Healthy Lifestyles Co-ordinator</td>
</tr>
<tr>
<td><strong>Equalities</strong></td>
<td>There are no new equalities implications.</td>
<td>West Kent Equalities Officer</td>
</tr>
</tbody>
</table>

8. REPORT APPENDICES

The following document is to be published with this report and forms part of the report:
- Appendix A: Grant Thornton’s Audit Plan 2015/16

9. BACKGROUND PAPERS

None
The Audit Plan
Tunbridge Wells Borough Council

Year ending 31 March 2016
29 March 2016

Darren Wells
Director
T 01293 554 120
E darren.j.wells@uk.gt.com

Ade O Oyerinde
Manager
T 0207 728 3332
E ade.o.oyerinde@uk.gt.com
The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
Dear Members of the Audit & Governance Committee

Audit Plan for Tunbridge Wells Borough Council for the year ending 31 March 2016

The Audit Plan sets out for the benefit of those charged with governance (in the case of Tunbridge Wells Borough Council, the Audit & Governance Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015.

Our responsibilities under the Code are to:
- give an opinion on the Council’s financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Yours sincerely

Darren Wells
Engagement Lead
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Section

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Developments and other requirements relevant to the audit 6
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Significant risks identified 9
Other risks identified 10
Value for Money 13
Results of interim audit work 15
Key dates 17
Fees and independence 18
Communication of audit matters with those charged with governance 19

Appendix A
Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.

### Challenges/opportunities

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>• The Chancellor proposed that local government would have greater control over its finances, although this was accompanied by a 24% reduction in central government funding to local government over 5 years.</td>
<td>• The Autumn Statement 2015 also included proposals to devolve further powers to localities.</td>
<td>• The Council has a range of significant development schemes in the pipeline for the coming years.</td>
<td>• The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 May and 31 July respectively by the 2017/18 financial year.</td>
</tr>
<tr>
<td>• Despite the increased ownership, the financial health of the sector is likely to become increasingly challenging.</td>
<td>• Discussions on the devolution agenda in Kent are at a relatively early stage.</td>
<td>• There will need to be robust decision making made around which schemes to progress to ensure those selected provide the largest benefit to the Council.</td>
<td>• You brought forward the accounts production in 2014/15 and are reviewing the accounts preparation process to streamline this further in 2015/16.</td>
</tr>
<tr>
<td>• Whilst the Council is on target to achieve its financial targets for 2015-16, there is a need to identify £7.4 million of savings over the next five years within the updated Medium Term Financial Plan.</td>
<td></td>
<td>• These schemes will also require a considerable level of capital investment and the Council will need to make sure that it has sufficient resources available to deliver these schemes.</td>
<td></td>
</tr>
</tbody>
</table>

### Our response

- We will consider your plans for ensuring your financial sustainability as part of our work in reaching our Value for Money (VfM) conclusion.
- We will maintain an understanding of any developing plans as part of our work in reaching a VfM conclusion.
- We will review current progress on the significant development schemes as part of our work in reaching our VfM conclusion.
- We will also undertake a review of the Council’s capital budgets and financial plans again as part of our work in reaching our VfM conclusion.
- We will continue to work with you to identify areas of your accounts production where you can learn from good practice from other authorities.
- We plan to substantially complete our audit of your financial statements by 30 June 2016
- Report our Audit Findings to the Audit and Governance Committee on 26 July 2016
- Issue the audit opinion and VF M conclusion by 31 July 2016, two months earlier than the previous year.
Developments and other requirements relevant to your audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice and associated guidance.

1. Fair value accounting
   - A new accounting standard on fair value (IFRS 13) has been adopted and applies for the first time in 2015/16.
   - This will have a particular impact on the valuation of surplus assets within property, plant and equipment which are now required to be valued at fair value in line with IFRS 13 rather than the existing use value of the asset. It is anticipated that this will not have a material impact for the Council.
   - Investment property assets are required to be carried at fair value as in previous years, but the Council needs to ensure the requirements of IFRS 13 are being considered when performing these valuations.
   - There are a number of additional disclosure requirements of IFRS 13.

2. Corporate governance
   - The Accounts and Audit Regulations 2015 require local authorities to produce a Narrative Statement, which reports on your financial performance and use of resources in the year, and replaces the explanatory foreword.
   - You are required to produce an Annual Governance Statement (AGS) as part of your financial statements.

3. Highways Network Assets
   - Although you are not required to include Highways Network Assets until 2016/17, we anticipate this will not have a significant change to your financial statements as per the CIPFA guidance.
   - However you need to confirm how you have satisfied yourself it falls outside the scope of the updated guidance.

4. Other requirements
   - You are required to submit a Whole of Government accounts pack on which we provide an audit opinion.
   - You also complete a housing benefit grant claim and return on which audit certification is required.

Our response

- We will keep you informed of changes to the financial reporting requirements for 2015/16 through on-going discussions and invitations to our technical update workshops.
- We will discuss this with you at an early stage, including reviewing the basis of valuation of your surplus assets and investment property assets to ensure they are valued on the correct basis.
- We will review your draft financial statements to ensure you have complied with the disclosure requirements of IFRS 13.

- We will review your Narrative Statement to ensure it reflects the requirements of the CIPFA Code of Practice when this is updated, and make recommendations for improvement.
- We will review your arrangements for producing the AGS and consider whether it is consistent with our knowledge of you and the requirements of CIPFA guidance.

- We will consider your assessment against the updated guidance, and if appropriate, discuss your plans for valuation of these assets at an early stage to gain an understanding of your approach and suggest areas for improvement.

- We will carry out work on the WGA pack in accordance with your requirements.
- We will certify the housing benefit subsidy claim in accordance with the requirements and by the deadline specified by Public Sector Audit Appointments Ltd.
Our audit approach

Global audit technology

- Understanding the environment and the entity
- Understanding the business
- Understanding management’s focus
- Evaluating the year’s results

Ensures compliance with International Standards on Auditing (ISAs)

- Develop audit plan to obtain reasonable assurance that the Financial Statements as a whole are free from material misstatement and prepared in all material respects with the CIPFA Code of Practice on Local Authority Accounting using our global methodology and audit software

- Devise audit strategy (planned control reliance?)
  - Yes
    - Extract your data
    - Analyse data using relevant parameters
    - Tests of control
    - Substantive analytical review
  - No
    - Tests of detail
    - Substantive analytical review

General audit procedures

- Financial statements
- Conclude and report

Note: a. An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.
Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit.

The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As is usual in public sector entities, we have determined materiality for the statements as a whole as a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £1,384k (being 2% of gross revenue expenditure). We will consider whether this level is appropriate during the course of the audit and will advise you if we revise this.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £63k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. For the Council we have determined that cash warrants a lower level of materiality due to its sensitive nature and have set materiality for this area at £500k.
Significant risks identified

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315). In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing - ISAs) which are listed below:

<table>
<thead>
<tr>
<th>Significant risk</th>
<th>Description</th>
<th>Substantive audit procedures</th>
</tr>
</thead>
</table>
| The revenue cycle includes fraudulent transactions   | Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition. | Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Tunbridge Wells Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:  
  - there is little incentive to manipulate revenue recognition  
  - opportunities to manipulate revenue recognition are very limited  
  - the culture and ethical frameworks of local authorities, including Tunbridge Wells Borough Council, mean that all forms of fraud are seen as unacceptable. |
| Management over-ride of controls                      | Under ISA 240 it is presumed that the risk of management over-ride of controls is present in all entities.                                                                                                     | Work completed to date:  
  - Documenting the control environment and walkthrough of the system in respect of journal entries  
 Further work planned:  
  - Review of accounting estimates, judgments and decisions made by management  
  - Testing of journal entries (testing of months 1 – 9 journals is in progress)  
  - Review of unusual significant transactions. |
Other risks identified

"The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures" (ISA (UK & Ireland) 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

<table>
<thead>
<tr>
<th>Other risks</th>
<th>Description</th>
<th>Audit approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>Creditors understated or not recorded in the correct period</td>
<td><strong>Work completed to date:</strong></td>
</tr>
<tr>
<td></td>
<td>(Operating expenses understated)</td>
<td>• Walkthrough of operating expenses system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sample testing of operating expenditure months 1-9 (in progress)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Further work planned:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Review of control account reconciliations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sample testing of operating expenditure months 10-12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Testing of the year end payables</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Testing for unrecorded liabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Testing of manual accruals</td>
</tr>
<tr>
<td>Employee remuneration</td>
<td>Employee remuneration and benefit obligations and expenses understated</td>
<td><strong>Work completed to date:</strong></td>
</tr>
<tr>
<td></td>
<td>(Remuneration expenses not correct)</td>
<td>• Walkthrough of the payroll system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sample testing of payroll transactions to payslips and HR contract of employment (months 1-9 in progress)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Further work planned:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Review of monthly/weekly reconciliations of the payroll to the ledger</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Directional analytical review using trend analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sample testing of payroll transactions to payslips and HR contract of employment (months 10 – 12)</td>
</tr>
</tbody>
</table>
### Other risks identified (continued)

<table>
<thead>
<tr>
<th>Other risks</th>
<th>Description</th>
<th>Audit approach</th>
</tr>
</thead>
</table>
| Valuation of property, plant and equipment including investment properties | You revalue your assets regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. The Code requires you to ensure that the carrying value at the balance sheet date is not materially different from current value. This represents a significant estimate by management in the financial statements. | Planned work:  
- Review of management’s processes and assumptions for the calculation of the estimate  
- Review of the competence, expertise and objectivity of any management experts used  
- Review of the instructions issued to valuation experts and the scope of their work  
- Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions  
- Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding  
- Testing of revaluations made during the year to ensure they are input correctly into the Council’s asset register  
- Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. |
| Valuation of pension fund net liability | Your pension fund asset and liability as reflected in your balance sheet represent significant estimates in the financial statements. | Work completed to date:  
- Documented the controls put in place by management to ensure that the pension fund liability is not materially misstated. Assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. Planned work:  
- We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out  
- We will undertake procedures to confirm the reasonableness of the actuarial assumptions made by the actuary  
- We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. |
Other risks identified (continued)

Other material balances and transactions
Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous section but will include:

- Heritage assets
- Assets held for sale (if any)
- Cash and cash equivalents
- Borrowing and other liabilities (long term and short term)
- Usable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Revenue and non-specific grants
- Segmental reporting note
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Collection Fund and associated notes

Other audit responsibilities
- We will undertake work to satisfy ourselves that disclosures made in the Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read the Narrative Statement and check that it is consistent with the statements on which we give an opinion and disclosures are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We will give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts.
## Value for Money

### Background

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its guidance for auditors on value for money work in November 2015. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

> In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out below:

<table>
<thead>
<tr>
<th>Sub-criteria</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Informed decision making</strong></td>
<td>• Acting in the public interest, through demonstrating and applying the principles and values of good governance</td>
</tr>
<tr>
<td></td>
<td>• Understanding and using appropriate cost and performance information to support informed decision making and performance management</td>
</tr>
<tr>
<td></td>
<td>• Reliable and timely financial reporting that supports the delivery of strategic priorities</td>
</tr>
<tr>
<td></td>
<td>• Managing risks effectively and maintaining a sound system of internal control</td>
</tr>
<tr>
<td><strong>Sustainable resource deployment</strong></td>
<td>• Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions</td>
</tr>
<tr>
<td></td>
<td>• Managing assets effectively to support the delivery of strategic priorities</td>
</tr>
<tr>
<td></td>
<td>• Planning, organising and developing the workforce effectively to deliver strategic priorities</td>
</tr>
<tr>
<td><strong>Working with partners and other third parties</strong></td>
<td>• Working with third parties effectively to deliver strategic priorities</td>
</tr>
<tr>
<td></td>
<td>• Commissioning services effectively to support the delivery of strategic priorities</td>
</tr>
<tr>
<td></td>
<td>• Procuring supplies and services effectively to support the delivery of strategic priorities</td>
</tr>
</tbody>
</table>
Value for Money (continued)

Risk assessment

We shall carry out an initial risk assessment based on the NAO’s guidance. In our initial risk assessment, we will consider:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

Following the completion of this risk assessment, we will issue a separate planning document setting out our planned work for 2015/16 to meet our duties in respect of the VfM conclusion. This will include any significant risks identified, along with details of the work we plan to carry out to address these risks.

Reporting

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and summarised in the Annual Audit Letter.
Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

<table>
<thead>
<tr>
<th>Work performed</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal audit</strong></td>
<td></td>
</tr>
<tr>
<td>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention. We have also reviewed internal audit's work on your key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.</td>
<td>Overall, we have concluded that the internal audit service provides an independent and satisfactory service and that internal audit work contributes to an effective internal control environment. Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</td>
</tr>
<tr>
<td><strong>Entity level controls</strong></td>
<td></td>
</tr>
</tbody>
</table>
| We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:  
  • communication and enforcement of integrity and ethical values  
  • commitment to competence  
  • participation by those charged with governance  
  • management's philosophy and operating style  
  • organisational structure  
  • assignment of authority and responsibility  
  • human resource policies and practices. | Our work has not identified material weaknesses which are likely to adversely impact on your financial statements. |
| **Walkthrough testing**                                                                             |                                                                            |
| We have substantially completed our walkthrough tests of the controls operating in areas where we consider that there is a risk of material misstatement to the financial statements.  
  Our work to date has not identified any issues which we wish to bring to your attention. Internal controls have been implemented in accordance with our documented understanding. | Our work to date has not identified any weaknesses which impact on our audit approach.  
  Further work:  
  Complete walk through of the welfare benefit system. |
## Results of interim audit work (continued)

<table>
<thead>
<tr>
<th>Work performed</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Early testing</strong></td>
<td>Our work to date has not identified any weaknesses which impact on our audit approach.</td>
</tr>
</tbody>
</table>
| We undertook the following early transaction testing during the interim:  
  - Operating expenses (months 1 – 9)  
  - Property Plant Equipment ownership and physical verification  
  - Employee remuneration (months 1 – 9) is in progress  |
| Our work to date has not identified any issues which we wish to bring to your attention. | Further work planned:  
  - High level review of IT  
  - Housing Benefits system parameters. |
| **Journal entry controls** | Our work over the control environment and walkthrough of the journal system has not identified weaknesses which impact on our audit approach. |
| We have reviewed your journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on your control environment or financial statements.  
We have carried a walkthrough of the journal entry system and confirmed that the system operates as designed.  
We also completed early testing of journal entries (months 1 – 9) during the interim audit. | Our work to date on interim testing of journals month 1 – 9 has not identified any issues to bring to your attention. | Further work:  
Complete testing of journal entries months 10 – 12. |
## Key dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2016</td>
<td>Planning</td>
</tr>
<tr>
<td>w/c 15 February 2016</td>
<td>Interim site visit</td>
</tr>
<tr>
<td>29 March 2016</td>
<td>Presentation of Audit Plan to Audit and Governance Committee</td>
</tr>
<tr>
<td>1 June 2016</td>
<td>Year end fieldwork commences</td>
</tr>
<tr>
<td>July 2016 TBA</td>
<td>Audit findings clearance meeting with Finance Director</td>
</tr>
<tr>
<td>26 July 2016</td>
<td>Report audit findings to those charged with governance (Audit and Governance Committee)</td>
</tr>
<tr>
<td>By 31 July 2016</td>
<td>Sign financial statements opinion</td>
</tr>
</tbody>
</table>
Fees and independence

**Our fee assumptions include:**

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list.
- The scope of the audit, and the Council and its activities, have not changed significantly.
- The Council will make available management and accounting staff to help us locate information and to provide explanations.
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

**Grant certification**

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited.

### Fees

<table>
<thead>
<tr>
<th>Service</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council audit</td>
<td>51,230</td>
</tr>
<tr>
<td>Grant certification</td>
<td>12,144</td>
</tr>
<tr>
<td><strong>Total fees (excluding VAT)</strong></td>
<td><strong>63,374</strong></td>
</tr>
</tbody>
</table>

**Fees for other services**

Fees for other services reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

### Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings Report at the conclusion of the audit.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.
Communication of audit matters with those charged with governance

International Standards on Auditing (UK & Ireland) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings Report will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

**Respective responsibilities**

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited ([http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/](http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/))

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work ([https://www.nao.org.uk/code-audit-practice/about-code/](https://www.nao.org.uk/code-audit-practice/about-code/)). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

<table>
<thead>
<tr>
<th>Our communication plan</th>
<th>Audit Plan</th>
<th>Audit Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respective responsibilities of auditor and management/those charged with governance</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Confirmation of independence and objectivity</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Details of safeguards applied to threats to independence</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Material weaknesses in internal control identified during the audit</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Non compliance with laws and regulations</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Expected modifications to the auditor’s report, or emphasis of matter</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Uncorrected misstatements</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Significant matters arising in connection with related parties</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Significant matters in relation to going concern</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

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Appendix A
<table>
<thead>
<tr>
<th>REPORT TITLE</th>
<th>29/3/16</th>
<th>28/6/16</th>
<th>26/7/16</th>
<th>20/9/16</th>
<th>5/12/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit and Governance Committee Annual Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Internal Audit Annual Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Internal Audit Annual Plan</td>
<td>X</td>
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</tr>
<tr>
<td>Internal Audit Interim Report</td>
<td></td>
<td></td>
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<td></td>
<td>X</td>
</tr>
<tr>
<td>Annual Revision of Audit Charter</td>
<td></td>
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<td></td>
<td>X</td>
</tr>
<tr>
<td>External Audit</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Annual Audit Letter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Certification of Claims and Returns</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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