

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.