

## AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 2 April 2019

**Present: Councillor Scott (Chairman)**  
**Councillors Barrington-King (Vice-Chairman), Hamilton, Neve, Nuttall, Ms Palmer,**  
**Independent Members: Mr Quigley and Mr Shiels,**  
**Parish/Town Councillors: Coleman and Henshaw**

**Officers in Attendance:** Cheryl Clark (Democratic Services Officer), Rich Clarke (Head of Audit Partnership), Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Keith Trowell (Team Leader (Corporate Governance)) and Chris Woodward (Head of ICT)

**Other Persons in Attendance:** Ade Oyerinde, Engagement and Audit Manager, Grant Thornton.

### APOLOGIES FOR ABSENCE

AG44/18 The Chairman opened the meeting, introduced attendees and outlined procedural matters of the meeting. There were no apologies for absence.

### DECLARATIONS OF INTEREST

AG45/18 No declarations of interest were received.

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

AG46/18 No notifications of any visiting members wishing to speak had been received.

### MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 27 NOVEMBER 2018

AG47/18 The minutes of the meeting of the Audit and Governance Committee dated 11 September 2018 were submitted.

**RESOLVED** – That the minutes of the Audit and Governance Committee dated 11 September 2018 be approved as a correct record.

### STRATEGIC RISK REVIEW

AG48/18 Mr Colyer, Director of Finance, Policy and Development, presented this report, which set out a number of strategic risks that had been identified by the Council. He updated members on the review of the strategic risks currently being undertaken by Zurich Insurance Limited and advised that they had carried out interviews with relevant officers and the Chairman of the Audit & Governance Committee. The outcome of their review would be submitted as a report via the Council's decision making process in due course.

In the meantime, he introduced Mr Taylor, Director of Change & Communities and Mr Woodward, Head of Mid Kent ICT who had been invited to attend the meeting to update members on the current position in respect of Risk Scenario 3 - Resident Engagement and Risk Scenario 6 - Business Interruption.

Risk no. 3 Resident Engagement – Mr Taylor was able to confirm that improvements had been made in local engagement and in corroboration he was able to quote positive comments received as part of the recent Peer Review. In respect of a query raised about ‘Purdah’ Mr Colyer confirmed that advice had been issued on the subject to all Councillors by the Monitoring Officer. The regulations in this respect pre-dated the Internet and to avoid any potential risk element, interviews published on U-Tube prior to the deadline were taken down.

Risk no. 6 Business Interruption – Mr Taylor confirmed that the Council’s Business Continuity plan had last been tested and updated in January 2019 and more recently a ‘Brexit’ related exercise had also been satisfactorily undertaken at the request of Government. Mr Woodward additionally provided reassurance on the Council’s technical defences against the increased threat from cyber security attacks and responded to member concerns relating to the more vulnerable ‘people’ risks explaining how this had been tested. He also outlined proposals for continued training and monitoring.

**RESOLVED** – That the risk management report and arrangements for managing strategic risk be noted.

#### **UPDATE ON COMPLAINTS RECEIVED UNDER THE MEMBERS' CODE OF CONDUCT**

AG49/18 Mr Trowell, Team Leader (Corporate Governance) and Deputy Monitoring Officer presented this report, which updated members on complaints received under the Members’ Code of Conduct. Since the last meeting there had been five new complaints. One of the complaints was against a Borough Councillor alleging bullying and aggressive comments and was still being assessed. The other four complaints were all against the same parish councillor and comprised similar allegations about bullying, preventing access to information and compromising impartiality. The outcome of the investigation would be reported to Committee in due course.

**RESOLVED** – That the update on complaints received under the Members’ Code of Conduct be noted.

#### **REVIEW OF THE CONSTITUTION APRIL 2019\***

AG50/18 Mr Trowell, Team Leader (Corporate Governance) and Deputy Monitoring Officer presented this report, which set out and recommended several amendments to the Constitution following consultation with the Constitution Review Working Party. The amendments included updates to legislation and changes resulting from a ‘page turn’ review of the Constitution.

Proposed amendment 5 related to a change to the Monitoring Officer’s approval limit to settle court proceedings but had not been supported by the Constitution Review Working Party without some further rationale for the perceived substantial increase. It was noted, however, that on receipt of such additional information, members of the Audit & Governance Committee might still consider recommendation to Full Council. Consequently, Mr Trowell was able to advise that of 9 other local authorities, 7 had unlimited settlement levels, one had a very low limit of £10k and only one did not delegate to officers at all. Mr Colyer advised that he had requested the amendment and reminded members that at £250,000 the level would be in line with the

threshold for a key decision ie reference to Cabinet. Additionally, members took reassurance that up to that higher limit, any settlement by the Monitoring Officer would anyway be subject to prior consultation with Mr Colyer as the S151 Officer. On that basis, members of the Audit & Governance Committee supported all of the proposed changes including no. 5 as discussed.

**RESOLVED** - That the following amendments to the Constitution be recommended to Full Council:

1. That Part 2, Article 10 (Suspension, Interpretation and Publication of the Constitution), Paragraph 10.3 be amended so that the words: "The Monitoring Officer will give a printed copy of this Constitution to each member of the Council upon delivery to him of that individual's declaration of acceptance of office on the member first being elected to the Council" be replaced with: "All members are referred to the up to date version of the Constitution, which is maintained online. The Monitoring Officer will give a printed copy of the Constitution to a member of the Council if that member requests a copy";
2. That Part 3, Section 7 (Audit and Governance Committee), Paragraph 7.1 be amended so that the words "5 independent members" be replaced with: "2 independent members";
3. That Part 3, Annex C (Officer Scheme of Delegations), Table 1 (General Delegations to All Chief Officers), Paragraph 13 be amended so that the words: "Monitoring Officer £250" be replaced with: "Monitoring Officer £500";
4. That Part 3, Annex C (Officer Scheme of Delegations), Table 2 (Delegations to the Chief Officers) be amended to add a new clause after paragraph 51 that reads: "To settle employment claims and other staff related payments in consultation with the Head of Paid Service and the Head of Human Resources, Customer Services and Culture, where it is in the best interests of the Council to do so." and the subsequent paragraphs be renumbered as appropriate;
5. That Part 3, Annex C (Officer Scheme of Delegations), Table 2 (Delegations to the Chief Officers), Paragraph 60 be amended so that the words: "exceeding £50,000" be replaced with: "between £50,000 and 250,000";
6. That Part 5, Annex 4 to the Code of Conduct (Code of Conduct for Employees) be amended to add a new clause after paragraph 11.4.2 that reads: "Any gift up to a de minimis equivalent financial value of £25, which can be accepted and does not need to be declared, up to a cumulative maximum of £100 in any one financial year."
7. That Part 3, Section 9 (Investigatory Committee) be amended as set out at Appendix A to the report;
8. That an Independent Panel be established and the terms of reference as set out at Appendix B to the report be agreed. Said terms of reference to be added to Part 3 after section 10 and the subsequent sections be renumbered as appropriate; and
9. That the minor amendments made under the Monitoring Officers delegated

authority set out at Appendix C to the report be noted.

## **INTERNAL AUDIT & ASSURANCE PLAN 2019/20**

AG51/18 Mr Clarke, Head of Audit Partnership, presented this report which set out a risk based Internal Audit & Assurance Plan for 2019/20. Although input from senior management and members was sought, he made it clear that the plan was required to be independently prepared and free of undue or inappropriate management influence. He also advised the outcome of a recent restructure of the department, continued skills development within the team and the introduction of an apprentice scheme. Together with the use of specialist external expertise as required, he was able to provide reassurance that there were sufficient resources to deliver the plan. He summarised the contents of the plan indicating the high and medium priority elements. Finally, he indicated an intention to commission an external assessment of the service and in response to further queries he clarified that this was initially be limited to a validation of the existing internal assessment process.

Members picked up on the inclusion of Member Development within the audit plan and there was a suggestion for individual training plans and potentially some sort of appraisal scheme. Issues were also raised relating to infrastructure and s106 agreements in relation to the New Local Plan, which Mr Clarke advised would be passed on to the auditors.

### **RESOLVED –**

That the Committee:

1. Approve the Internal Audit & Assurance Plan for 2019/20
2. Note the Head of Audit Partnership's view that the Partnership currently has sufficient resources to deliver the plan and a robust Head of Audit Opinion.
3. Note the Head of Audit Partnership's assurance that the plan is compiled independently and without inappropriate influence from management.
4. Note the proposed criteria for commissioning an External Quality Assessment of the audit service later in 2019/20.

## **EXTERNAL AUDIT PLAN**

AG52/18 Mr Colyer, Director of Finance, Policy and Development presented this report which outlined the work that the external auditor, Grant Thornton proposed to undertake for the audit of the 2018/19 financial statements and the value for money assessment. He introduced Mr Oyerinde, Engagement and Audit Manager from Grant Thornton who summarised each section of the plan which was provided as Appendix A. Mr Oyerinde also provided additional explanation on the materiality and triviality levels considered. In response to an enquiry from the Chairman, he confirmed that the Council's Head of Finance and Procurement had been looking into use of index linking systems as a means of saving the cost of employing external valuers.

Mr Oyerinde also referred to the extra charge resulting from the additional work undertaken in relation to the overview of the Housing Benefit subsidy claim submitted by TWBC.

**RESOLVED –** That the Audit and Governance Committee considered and agreed the Audit Plan.

## **FUTURE WORK PROGRAMME**

AG53/18 The Committee's work programme was presented for members' information. It was noted that the date of the meeting shown as 17 July should have stated 2 July 2019, which was the correctly scheduled meeting date.

**RESOLVED** – That the work programme be amended as noted.

## **URGENT BUSINESS**

AG54/18 **RESOLVED** – That there was no urgent business for consideration.

## **DATE OF NEXT MEETING - 22 MAY 2019, FOLLOWING ANNUAL COUNCIL**

AG55/18 **RESOLVED** – That the next meeting of the Committee take place on Wednesday 22 May, following Annual Council.

### **NOTES:**

1. For full details of the proceedings, an audio recording of this meeting is available on the Tunbridge Wells Borough Council website.
2. Councillor Hamilton arrived shortly after the introductions at the start of the meeting.
3. Councillor Neve left the meeting during consideration of item 8 Internal Audit & Assurance Plan 2019/20.
4. The Chairman expressed the Committee's thanks to Parish Councillor David Coleman and Town Councillor David Henshaw who were attending this Committee for the last time prior to the appointment of new members.
5. The meeting concluded at 8pm.