

AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 24 August 2021

**Present: Councillor Joe Simmons (Chairman)
Councillors Backhouse (Vice-Chairman), Allen, Britcher, Hamilton, Rands, Warne,
Mackonochie, Edwards, Quigley and Turner**

Officers in Attendance: Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Rich Clarke (Head of Audit Partnership), Sheila Coburn (Head of Revenues and Benefits), Patricia Narebor (Head of Legal Partnership), Claudette Valmond (Principal Solicitor) and Caroline Britt (Democratic Services Officer)

Other Members in Attendance: Councillors Dawlings, Dr Hall, Hayward and Scholes

CHAIRMAN'S INTRODUCTION

AG7/21 The Chairman opened the meeting, introduced Committee members and officers in attendance, and outlined procedural matters of the meeting.

APOLOGIES FOR ABSENCE

AG8/21 Apologies for absence were received from Councillor Chapelard.

DECLARATIONS OF INTEREST

AG9/21 No declarations of interest were received.

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

AG10/21 Councillors Hayward, Dawlings and Dr Hall had registered to speak on Agenda Item 8 – Framework for Major Projects.

MINUTES OF THE MEETING DATED 30 MARCH 2021

AG11/21 No amendments were proposed.

RESOLVED – That the minutes of the Audit and Governance Committee dated 30 March 2021 be approved as a correct record.

MINUTES OF THE MEETING DATED 26 MAY 2021

AG12/21 It was noted that since publication of the minutes, the membership of the Constitution Review Working Party had now been confirmed as follows;

Mr Quigley – Chairman
Councillor March
Councillor Backhouse
Councillor Fitzsimmons

No amendments were proposed.

RESOLVED – That the minutes of the Audit and Governance Committee dated 26 May 2021 be approved as a correct record.

STRATEGIC RISK REVIEW

AG13/21 Lee Colyer, Director of Finance, Policy and Development introduced the report set out in the agenda.

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

FRAMEWORK FOR MAJOR PROJECTS

AG14/21 Registered Speakers:

Councillor David Hayward
Councillor Tom Dawlings
Councillor Dr Linda Hall

Tony Quigley, Independent Member introduced the report set out in the agenda.

Discussion and questions from Members included the following:

- The main outcome was to ensure that the mistakes of the past were not repeated.
- It was suggested that based on the evidence available (Calverley Square) it was difficult to determine who or when decisions were made and therefore difficult to assess the reasonableness and ownership of those decisions. It was further suggested that until the full truth of what happened with the Calverley Square project was known and addressed it would be premature to agree a framework to prevent those mistakes from happening again.
- The inclusion of early and wide public consultation for future projects was welcomed.
- Optimism Bias was introduced as a requirement by the Treasury for Government funded projects. This meant that project cost/benefit analyses should provide a consistent picture where previously benefits tended to be overstated with the costs understated.
- Terms of Reference for the Oversight Panel were not defined in the report. Terms needed to be tailored to meet the requirements of the planned major project. As such they would be defined at the beginning of the process.
- Benefits could be cost and/or social related.
- Best Practice used for the framework had been drawn from several sources.
- It was important to move forward and not continually focus on the past.
- The report recommended that the framework be subject to periodic review and was therefore not set in stone.
- There was concern the lessons learnt from Calverley Square had not been concluded and therefore it was difficult to endorse the framework.
- The framework, if endorsed, would ensure that mechanisms were put in place that would allow for the review, monitoring and correcting of major projects. This would include the structure, terms of reference, governance arrangements and decision making.
- The business case for any potential major project would start with a strategic outline case that included the reasons why the project was

being considered. Then consideration would be needed on the options available, including a do nothing/do minimum with associated costings.

- With regards to decision making, there was a well-established system of stage gate reviews. At the beginning of the process it would be important to define the stages and ensure that sufficient decision points were included.
- The stage gates acted as a review point that would also ensure all information related to a particular major project was available. If the stage gates were too far apart, a health check review could be commissioned. Such reviews should be conducted by an independent body with no connection to the Council.
- The Governance of the Council was also relevant. Members had the opportunity to question, challenge and discuss.

RESOLVED – That the Committee endorsed the framework for major projects going forward for use by the Council’s Programme Management Office to develop an action plan.

MID KENT FRAUD AND COMPLIANCE UPDATE

AG15/21 Sheila Coburn, Head of Revenues and Benefits Partnership introduced the report set out in the agenda.

RESOLVED – That the Committee noted the contents of the report.

HOUSING BENEFIT AND SUBSIDY CLAIM 2019/20

AG16/21 Sheila Coburn, Head of Revenues and Benefits Partnership introduced the report set out in the agenda.

RESOLVED – That the Committee noted the contents of the report.

ELECTRONIC SIGNATURES AND DOCUMENT SEALING

AG17/21 Claudette Valmond, Principal Solicitor (Contracts and Commissioning, Planning and Property Regeneration) introduced the report set out in the agenda.

Discussion and questions from Members included the following:

- A number of providers were being considered, with Adobe Acrobat currently being viewed as the preferred provider as along with the signature it also included the person’s name and time.
- There was an assurance the mechanisms would be in place to ensure appropriate security arrangements would be in place. The Council would not be exposed.

RESOLVED – That the Committee endorses the recommendation to go to Full Council to approve the minor amendments to the Constitution as set out in paragraph 1.5 of the report.

INTERNAL AUDIT ANNUAL REPORT AND OPINION 2020/21

AG18/21 Rich Clarke, Head of Audit Partnership introduced the report set out in the agenda.

RESOLVED – That the Committee notes the Head of Audit Partnership's opinion and the work underlying the opinion and the Head of Audit Partnership's assurance of its independent completion in conformance with proper standards.

FUTURE WORK PROGRAMME AS AT 24 AUGUST 2021

AG19/21 The Committee's work programme was presented for members' information.

RESOLVED – That the Future Work Programme as at 24 August 2021 be noted.

URGENT BUSINESS

AG20/21 There was no urgent business for consideration.

DATE OF NEXT MEETING

AG21/21 The next meeting of the Audit and Governance Committee was scheduled for Thursday 16 September 2021.

NOTE: The meeting concluded at 7.50 pm.