

AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 22 September 2015

Present: Councillor Len Horwood (Chairman)

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

Independent Members: Mrs Hough, Mr Lewis, Mr Quigley and Mr Segall Jones

Parish/Town Council Representatives: Councillors Coleman and Mackenzie

Officers in Attendance: Rich Clarke (Head of Audit Partnership (Mid Kent Audit)), Lee Colyer (Director of Finance and Corporate Services (Section 151 Officer)), Estelle Culligan (Deputy Head of Legal Partnership), Jane Fineman (Head of Finance and Procurement), Emily Metcalf (Democratic Services Officer), Ade Oyerinde (Audit Manager, Grant Thornton), Frankie Smith (Audit Manager, Mid Kent Audit Partnership), Keith Trowell (Senior Lawyer and Deputy Monitoring Officer) and Darren Wells (Director, Grant Thornton)

APOLOGIES FOR ABSENCE

AG19/15 Apologies for absence were received from Councillor Moore and Independent Member Mr Hedges.

DECLARATIONS OF INTEREST

AG20/15 No declarations of interest were received.

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

AG21/15 No notifications of any visiting members wishing to speak had been received.

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 30 JUNE 2015

AG22/15 The minutes of the meeting of the Audit and Governance Committee dated 30 June 2015 were submitted.

Independent Member Mr Lewis pointed out that 'systematic problem' on page 4 should be changed to 'systemic problem'. He also said that, on page 6, 'the accounting profession being too complicated' should be changed to 'the accounting standards being over-complex'.

The external auditor from Grant Thornton, Mr Oyerinde, said that the sentence on the second paragraph on page 5 beginning with 'The external auditor from Grant Thornton' should be clarified further by being changed to:
"The external auditor from Grant Thornton, Mr Oyerinde, responded that Public Sector Audit Appointments (PSAA) had taken over from the Audit Commission, and said that although the decision was pending, the contract options being considered by the PSAA included rolling over the existing contract for another couple of years, or looking to appoint other external auditors at the end of the current contract."

RESOLVED:

That the minutes of the Audit and Governance Committee dated 30 June 2015 be approved as a correct record, subject to the agreed amendments.

UPDATE ON MEMBER COMPLAINTS

AG22/15A The Principal Lawyer and Deputy Monitoring Officer, Mr Trowell, presented a report updating members on complaints received under the Members' Code of Conduct.

Mr Trowell stated that the Monitoring Officer, Mr Scarborough, was to carry out an initial assessment of the one complaint received since the meeting of the Audit and Governance Committee on 30 June 2015, in consultation with the Independent Person. He added that the investigation into the one outstanding complaint from the last meeting had now been completed. Mr Trowell said that based on the Investigating Officer's report, the Monitoring Officer, having consulted with the Independent Person, concluded that there was no evidence of a failure to comply with the Code of Conduct. Mr Trowell added that the Monitoring Officer's decision was final.

Ms Culligan, the Deputy Head of Legal Partnership, was invited to speak by the Chairman, Councillor Horwood. Ms Culligan said that there had been concerns about the length of time the investigation had taken to complete. She provided members with an explanation as to why it had taken so long, saying that it was mainly to ensure that the process was inclusive.

Parish Councillor Coleman asked whether the investigation process at the Council was nationally applied or specific to Tunbridge Wells, as he considered it to be very complicated and time consuming, especially for the person who was being complained about. Ms Culligan replied that the aim of the new process was to shorten it, as it gave the Monitoring Officer the final decision. She elaborated that the premise was that the decision of the Monitoring Officer and Independent Person was final, but that the persons involved still had the opportunity to comment at each stage. She said that these arrangements were similar to Kent-wide ones, but she could not comment on their similarity to those made nationwide. Mr Trowell confirmed that the document presented to Full Council for approval in 2012 was based on the Kent model. He elaborated that the document was adopted throughout Kent but amended to fit local circumstances.

Independent Member Mr Lewis asked whether the Councillors involved in the recent Paddock Wood complaints had received the recommended training, and asked whether all had attended. Mr Trowell said that the Council did have training, but that he could not be sure of the attendance of individual Councillors.

Mr Lewis requested that a brief update be given next time, as he felt that the Committee needed to know whether or not Town Councillors had received training. He also asked why Paddock Wood Town Council was the only local council not to adopt the Kent code. Councillor Hamilton explained that Paddock Wood Town Council had signed up to a different code because the documentation was difficult for many to understand. She commented that over eight months was a very long time for people involved in the process to wait for an outcome to the complaint.

Councillor Dawlings said that there was much concern expressed at the last Audit and Governance Committee meeting over the time taken for these investigations, and asked whether they could be made faster in any way. Ms Culligan responded that some cases could be difficult because the people

involved (i.e. the complainants and the subject member) could be very emotional. She said that the process could have been completed a month or two quicker, but that the team was very busy and there was a requirement that everyone involved commented on it, which was naturally very time consuming. There was a lot of information to compile from interviews and comments, and each case took a different amount of time based on different factors, though the quicker the better for all involved. Ms Culligan assured the Committee that the team undertook the process as quickly as they could, but that, with so many amendments, this particular case had taken a long time.

Councillor Scott felt that the process needed to be changed dramatically, as the levels of sanctions did not warrant the huge expense. He wondered if it were possible to have a small committee that intervened in the early stages, so that the matters could be dealt with in weeks, and not months.

The Chairman replied that the process was statutory, and therefore if Members wanted to change or question it, they should address their Member of Parliament.

Parish Councillor Mackenzie said that fairness was key, and that time limits could impact on this. Councillor Scott disagreed, and said that it was much more unfair to hold someone in suspense for months.

The Chairman interjected by reminding the Committee that changing the policy was not something that was in the Council's remit.

RESOLVED:

That the update on complaints received under the Members' Code of Conduct be noted.

FINANCIAL REPORT AND AUDIT FINDINGS

AG23/15 Mrs Fineman, Head of Finance and Procurement, presented the Annual Financial Report and Audit Findings for 2014/15. She confirmed that there had been no material changes since the report that the Committee approved on 30 June 2015, and that Grant Thornton, the external auditors, had issued a draft Audit Findings Report which indicated that the Statement of Accounts would receive an unqualified opinion.

Mrs Fineman commented that the audit went well, and said that last year the team talked about assets, but this year there was no action plan and therefore no recommendation for improvement. Mrs Fineman then explained how the Council planned to bring forward the date to sign off the accounts from September to July, because the statutory deadline for the approval of the accounts would be changing in 2018 (for the 2017/18 accounts) to 31 July 2018, and so Mrs Fineman wanted to ensure that Tunbridge Wells Borough Council was prepared for this. She confirmed that Grant Thornton had agreed to resource and support bringing forward the approval of the statutory accounts to 31 July in 2016.

The Director of Audit at the external auditors Grant Thornton, Mr Wells, confirmed that the audit report contained few findings, which boded well for completing the audit by an earlier date in the forthcoming year.

Independent Member Mr Quigley said that he was thankful to Mrs Fineman

for her explanation, and that he believed it seemed to be the right course of action to take.

RESOLVED:

- 1) That Grant Thornton's Audit Findings Report be noted;
- 2) That the draft Statement of Accounts and the Annual Governance Statement be approved;
- 3) That the Chairman and Director of Finance and Corporate Services be authorised to sign a Letter of Representation based on Appendix A of the Audit Findings Report; and
- 4) That the Statement of Accounts and the Annual Governance Statement be moved to 31 July 2016 for the 2015/16 accounts, and that a special meeting be convened for this purpose.

FUTURE WORK PROGRAMME 2015/2016

AG24/15 The Committee's work programme was presented for members' information.

Councillor Scott asked whether the Council was in the process of reviewing risks in each session. The Director of Finance and Corporate Services, Mr Colyer, replied that all risk owners had now attended the committee meeting, and said that the management of risks was ongoing, and that if risks changed then this would be brought to the attention of the Committee. Mr Colyer stated that the Strategic Risk Review report was due to come to the Committee in March 2016, and that the approach regarding the attendance of risk owners could be determined as part of the recommendations to this particular report.

RESOLVED:

That the work programme be noted.

NOTE: The meeting concluded at 6.40 pm.