

AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 27 November 2018

Present: Councillor Scott (Chairman)
Councillors Barrington-King (Vice-Chairman), Hamilton, Neve, Nuttall, Ms Palmer,
Independent Member Mr Quigley,
and 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 (Deputy Monitoring Officer)) and David Candlin (Head of Economic Development and Property)

Other Members in Attendance: None

Other Persons in Attendance: Elizabeth Jackson (Grant Thornton)

CHAIRMAN'S INTRODUCTION

AG31/18 The Chairman opened the meeting, introduced Committee members and officers in attendance, and outlined procedural matters of the meeting.

APOLOGIES FOR ABSENCE

AG32/18 Apologies for absence were received from Councillor Bulman and from Independent Member Mr Shiels.

DECLARATIONS OF INTEREST

AG33/18 No declarations of interest were received.

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

AG34/18 No notifications had been received of any visiting members wishing to speak.

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 11 SEPTEMBER 2018

AG35/18 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

AG36/18 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 also introduced Mr Candlin who had been invited to attend the meeting to update members in respect of risk nos. 2, 9 and 10. Committee members took the opportunity to ask Mr Candlin questions and a number of matters were raised and discussed included the following:

That the level of the risks concerned had remained fairly static and were likely

to continue to do so until individual developments and underlying stages within projects were delivered. Mr Candlin indicated these included a number of significant community projects in Cranbrook, Paddock Wood and Southborough.

Concerns were expressed about the financial and operational position of RVP, in view of the closure of many of the shops and businesses and in the light of the lengthy delays experienced in the redevelopment of other sites such as the former 'cinema' site. Mr Colyer confirmed that the Council, as the freeholder, continued to liaise closely with the new owners of RVP and he reassured members, indicating British Land's considerable expertise in the sector and the need for them to fully assess the site before putting forward their development plans. He indicated that they had a proven track record in actively managing and expanding this type of facility to provide extended opening hours and other leisure facilities in addition to the standard retail provision.

Mr Colyer also reminded members that, as reported at the last meeting of this committee, the Council continued to meet with the developers of the former 'cinema site' and the Council expected announcements to be made regarding progress by the middle of 2019.

In respect of the Calverley Square project, questions and concerns were raised about continued public misunderstandings over the scheme and its funding. Members wondered how communication to the public might be improved. Mr Colyer reiterated explanations that had been given at Full Council in December 2017 over the project funding. Reference was also made to a new website (www.calverleysquare.co.uk) which was to provide a specific source of public information on the project and would allow sign up to a regular newsletter.

Mr Colyer also reminded members that the fees and charges for 2019/2020 were a completely separate matter and these were set by Cabinet at the recent meeting on 22 November.

The new waste contract was again unrelated and provided a comprehensive package incorporating both cost savings and the public desire for greater recycling and kerbside collection of glass.

Committee members asked a number of further questions about costs to date relating to the Calverley Square Project. Whilst members indicated their comprehension of the differences between the Council's revenue and capital budgets and understood the wider economic benefits of development for the future, they still felt that there was a significant element of public miscomprehension to be overcome.

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

UPDATE ON COMPLAINTS RECEIVED UNDER THE MEMBERS' CODE OF CONDUCT

AG37/18 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. There had been only one matter outstanding from the previous meeting on 11 September. This matter had

now been concluded with the Monitoring Officer and there had been no breach of the Code of Conduct due to the lack of evidence provided. There were no other outstanding complaints as at the date of the meeting.

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

UPDATE ON MINOR CHANGES MADE TO THE CONSTITUTION UNDER THE DELEGATED AUTHORITY OF THE MONITORING OFFICER

AG38/18 Mr Trowell, Team Leader (Corporate Governance) and Deputy Monitoring Officer, presented this report, which summarised the minor changes to the Council's Constitution that had been effected under the Monitoring Officer's delegated authority in the period December 2013 to November 2018.

RESOLVED – That the minor changes to the Council's Constitution under the Monitoring Officer's delegated authority be noted.

INTERIM AUDIT AND ASSURANCE REPORT

AG39/18 Mr Clarke, Head of Audit Partnership, presented this report, which updated members on progress made towards completing the 2018/19 Internal Audit & Assurance Plan. The report also provided update information needed by Audit Standards including an assessment of available audit time, results of audit work and commentary on performance of the audit service.

Mr Clarke confirmed that results so far in 2018/19 had indicated positive assurance ratings and that there were no matters of concern to bring to members' attention. Mention was also made of the recently adopted Pentana Audit Software and it was clarified that red shading within the planned audit schedule did not indicate matters of concern but that the subject matter was not included in the current audit plan.

RESOLVED – That the progress on the internal audit plan and findings be noted.

EXTERNAL AUDIT PROGRESS REPORT

AG40/18 Mr Colyer, Director of Finance, Policy and Development, presented this report, which provided the Committee with an update from the external auditors on progress in delivering their responsibilities. Mr Colyer also introduced Elizabeth Jackson who was taking over from Darren Wells as the Engagement Lead from Grant Thornton. Ade Oyerinde would continue to act as the Audit Manager.

Ms Jackson confirmed there were no specific matters to report at this time in respect of the Council's accounts but she responded to a query from the Committee regarding concerns in the media relating to anomalies arising from the recent audit of Patisserie Valerie. Whilst she was obviously unable to comment in this respect, she reassured members concerning the professional integrity and specialist expertise of Grant Thornton in auditing Public Sector accounts.

RESOLVED – That the progress report be noted.

FUTURE WORK PROGRAMME

AG41/18 The Committee's work programme was presented for members' information and the Chairman noted that at the next meeting responsible officers would attend to update on risks 3, 6 and 8.

RESOLVED – That the work programme be noted.

URGENT BUSINESS

AG42/18 **RESOLVED** – That there was no urgent business for consideration.

DATE OF NEXT MEETING

AG43/18 **RESOLVED** – That the next meeting of the Committee take place on Tuesday 2 April 2019.

NOTES:

1. For full details of the proceedings, an audio recording of this meeting is available on the Tunbridge Wells Borough Council website.
2. The meeting concluded at 7.50 pm.