

## AUDIT AND GOVERNANCE COMMITTEE

**Tuesday, 10 September 2019**

**Present: Councillor Barrington-King (Chairman)  
Councillors Reilly (Vice-Chairman), Bailey, Everitt, Horwood, Neve, Ms Palmer, Warne,  
Independent Members: Mr Quigley and Mr Shiels,  
Parish/Town Council Representatives: Councillors Edwards and Mackonochie**

**Officers in Attendance:** Cheryl Clark (Democratic Services Officer), Rich Clarke (Head of Audit Partnership), Finbar Gibbons (Head of Policy and Governance), Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Keith Trowell (Team Leader (Corporate Governance)) and Paul Taylor (Director of Change and Communities)

**Other Members in Attendance:** Councillors Ellis and Hayward

**Other Persons in Attendance:** Mrs E Jackson, Engagement Lead and Mr A Oyerinde, Senior Engagement Manager, Grant Thornton UK LLP

### CHAIRMAN'S INTRODUCTION

AG21/19      The Chairman opened the meeting, introduced Committee members and officers in attendance, and outlined procedural matters of the meeting. A minute's silence was held for Councillor Basu who had recently passed away.

### APOLOGIES FOR ABSENCE

AG22/19      There were no apologies for absence.

### DECLARATIONS OF INTEREST

AG23/19      No declarations of interest were received.

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

AG24/19      No notifications of any visiting members wishing to speak had been received. But Councillors Ellis and Hayward were in attendance to observe only.

### MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 2 JULY 2019

AG25/19      The minutes of the meeting of the Audit and Governance Committee dated 2 July 2019 were submitted.

**RESOLVED:** That the minutes of the Audit and Governance Committee dated 2 July 2019 be approved as a correct record.

### ANNUAL AUDIT LETTER

AG26/19      Mr Colyer, Director of Finance, Policy and Development presented this report, which outlined the conclusions of the 2018/19 annual audit of Tunbridge Wells Borough Council by Grant Thornton UK LLP.

Mr Oyerinde, Engagement Manager from Grant Thornton explained that the Audit Letter was a highly summarised version of the Audit Report and Opinion

submitted to the Audit & Governance Committee earlier in the year. Appendix A, additionally provided details of the reports issued and relative fees plus the ongoing Housing Benefit Grant Certification which was due to be completed by the end of November. It also detailed the additional fee of £4,400 which related to the additional work required by Grant Thornton to satisfy the requirements of their own quality regulators at a national level. Mr Colyer made clear that there was no implied reflection on the performance of TWBC in this respect and his commendation over the timely and accurate submission of the annual report and accounts was endorsed by the Committee. In response to matters raised over future 'Value for Money' concerns, Mrs Jackson confirmed that the Auditors would continue to oversee the capacity and risk assessments relative to the Calverley Square project, if it went ahead. In relation to the impact from Brexit, this remained largely unknown but it was noted that as far as possible, TWBC had appropriate arrangements in place.

The Chairman noted that the report on the Annual Audit Letter would progress via the Finance and Governance Cabinet Advisory Board to Cabinet.

**RESOLVED:** That having been considered by the Audit and Governance Committee, the Annual Audit Letter be approved.

## **ANNUAL REVIEW OF COMPLAINTS 2018/19**

AG27/19 Mr Gibbons, Head of Policy and Governance, presented this report which reviewed the complaints received by TWBC under the Council's Corporate Complaints Procedure, together with the decisions made by the LGO in relation to those progressed to the Ombudsman.

The reduction in the number of complaints was noted and explained to be due to a number of reasons including a new process introduced in 2017, better management and reclassification of some issues as service requests rather than complaints.

### **RESOLVED:**

1. That the Audit & Governance Committee note the annual complaint statistics and issues raised during 2018-19, and lessons learned as a result of this feedback; and
2. That the Audit and Governance Committee note the Annual Review letter published by the Local Government and Social Care Ombudsman (LGO) at Appendix A.

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

AG28/19 Mr Trowell, Team Leader (Corporate Governance) and Deputy Monitoring Officer, presented this report, which provided an update on complaints received under the Members' Code of Conduct during the period 14 June 2019 to 30 August 2019.

Following note of the matters covered in the report and in response to a query on the definitions of bullying and harassment opposed to normal behaviour,

Mr Trowell advised that he had already provided advice to Parish Councils. He was also developing a further programme of training, which would be available to Parishes on request.

**RESOLVED:** That members of the Audit and Governance Committee note the update on complaints under the Members' Code of Conduct.

## **STRATEGIC RISK REVIEW**

AG29/19 Mr Colyer presented this report, which set out the strategic risks identified by the Council and which were being managed and tracked by senior management. The report provided a current update on the evaluated threat level and controls in place for each risk issue. Mr Colyer introduced Mr Taylor, Director of Change and Communities, who updated on Risk Scenario 9: The Amelia at the Amelia Scott. Mr Taylor explained that this project had been ongoing since 2015 and had been updated both at meetings of Cabinet and Overview and Scrutiny. The project had recently been added to the Corporate Risk Register, and flagged as red in June 2019, due to concerns over project timelines and increasing construction costs.

A general question had been raised by one of the Independent Members regarding the accuracy of the opening statement in paragraph 3.1 of the agenda report, which indicated there was no legal requirement on the authority to formally monitor its risks nor a defined framework to do so when the Internal Audit Regulations seemed to state that Audit work was required to evaluate the effectiveness of risk management. Both Mr Clarke and Mr Colyer clarified that there was indeed a broad requirement for risk assessment and management but it was the precise definitions and details of how, what and when that were not provided within legislation. This particular issue in relation to monitoring the risks relating to the Calverley Square Development and the impact on the contract works in real financial terms had resulted in questions being raised by members. These had subsequently been discussed between the Chairmen of both Overview and Scrutiny and Audit and Governance, along with Executive Directors of the Council. The resulting correspondence would be circulated to members of the respective committees. In response Mr Colyer proposed that, in the event that the Calverley Square Project went ahead, a group of appropriate auditors, officers and councillors should be set up to manage the very real identified risks in the absence of a proscribed statutory reporting framework. Mr Taylor confirmed that although the details produced to this meeting were at summary level, a detailed and fully costed risk register including construction issues was being maintained in respect of the Amelia project. Finally, the Chairman commended the practice of raising questions through the Chair, in advance of the meeting, which had enabled such full investigation and explanation to be provided to the Committee.

**RESOLVED:** That the Committee notes the risk management report and arrangements for managing strategic risk.

## **FUTURE WORK PROGRAMME**

AG30/19 The Committee's work programme was presented for members' information. The Strategic Risk Owner due to attend on 26 November next was William Benson, Chief Executive, followed by Gary Stevenson, Head of Housing, Health and Environment, or Stephen Baughen, Head of Planning in March 2020.

**RESOLVED:** That the Work Programme be noted and amended to show the attendance of Strategic Risk Owners for 26 November 2019 and 31 March 2020 as updated.

**URGENT BUSINESS**

AG31/19      **RESOLVED:** That there was no urgent business for consideration.

**DATE OF NEXT MEETING - 26 NOVEMBER 2019**

AG32/19      Mr Trowell clarified that the start time of the meeting was 6.30pm and not 6pm as shown on the agenda.

**RESOLVED:** That the next meeting of the Committee take place on Tuesday 26 November 2019, at 6.30pm

**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 7:20pm.