



Audit and Governance Committee

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| Held at: | Boulogne Room - Civic Centre, Folkestone |
| Date | Wednesday, 26 July 2017 |
| Present | Councillors Michael Lyons, David Owen (Chairman), Paul Peacock (Vice-Chair) and Damon Robinson |
| Apologies for Absence | Councillor Mrs Susan Wallace |
| Officers Present: | David Christie (Chief Accountant), Kate Clark (Trainee Committee Services Officer), Amandeep Khroud* (Head of Democratic Services and Law), Tim Madden (Corporate Director - Organisational Change), Pat Main (Head of Finance), Mrs Christine Parker (Head of Audit Partnership) and Mr Chris Parker (Deputy Head of Audit) |
| | (*Left the meeting after Minute Item 3) |
| Others Present: | Elizabeth Jackson (Engagement Lead, Grant Thornton) and Andy Conlon (Manager, Grant Thornton) |

1. **Declarations of Interest**

There were no declarations of interest.

2. **Minutes**

The minutes of the meeting held on 8 March 2017 were submitted, approved and signed by the Chairman.

3. **Annual Governance Statement 2016/17**

Under the Accounts and Audit Regulation 2011, local authorities are required to produce an Annual Governance Statement. Report AuG/17/01 describes the process followed and seeks approval for the Annual Governance Statement for the year 2016/17.

Amandeep Khroud, Head of Democratic Services and Law, presented the report.

Members noted the following:

With regard to certification it was advised that the two certified claims related to Housing Benefit and Right to buy sales and receipts.

An explanation was given with regard to corporate complaints stages 1 and 2 as well as the ways in which complaints are received.

It was confirmed that Code of Conduct training was carried out on Councillors appointment to the District, however, any ongoing queries or clarification needs can be directed to the Monitoring Officer.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note report AuG/17/01**
- 2. To approve the draft Annual Governance Statement for 2016/17.**
- 3. To approve the council's corporate action plan outlined in Appendix 2 for 2017/18.**

(Voting: For 4, Against 0, Abstentions 0)

4. EKAP Update Report 2017/18

Report AuG/17/02 includes the summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee meeting.

Chris Parker, Deputy Head of Audit, presented the report.

With regard to Environmental Health Food and Safety members noted the audit had reported on a backlog of food safety inspections. Mr Parker confirmed this review has now been followed up and Environmental Health has since alleviated this backlog with overtime and plans for additional trained officers going forward.

Complaints monitoring. It was noted that one of the suggestions for improvement had identified results from any Local Government Ombudsman investigations were not automatically copied to the relevant Head of Service or Directors.

Proposed by Councillor Michael Lyons
Seconded by Councillor Damon Robinson and

Resolved:

- 1. To receive and note Report AuG/17/02**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

(Voting: For 4; Against 0; Abstentions 0)

5. EKAP Annual Report 2016/17

Report AuG/17/03 provides the summary of the impact of the work of the East Kent Audit Partnership for the year to 31 March 2017.

Mrs Christine Parker, Head of Audit Partnership, presented the report.

The Chairman congratulated all involved in the preparation of this report.

Proposed by Councillor David Owen
Seconded by Councillor Paul Peacock and

Resolved:

1. To receive and note Report AuG/17/03

(Voting: For 4; Against 0; Abstentions 0)

6. Grant Thornton Letter to the Audit and Governance Committee Chair

Report AuG/17/04 contains Grant Thornton's letter to the Audit and Governance Committee which is part of their auditor risk assessment work. They are seeking confirmation from the Committee about how it gains assurance from management. Their letter, attached at Appendix 1 of the agenda, includes a series of questions on fraud, laws and regulations. The proposed response is attached at Appendices 2 and 3 of the agenda.

Mrs Pat Main, Head of Finance, presented the report.

Members noted the following:

Staff induction is carried out for all new staff members and the policy is updated regularly to reflect any changes.

Any complaints with regard to whistleblowing can be reported to the relevant Line Manager, any Head of Service or the Chief Executive.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

1. To receive and note Report AuG/17/04.

2. To consider and approve the proposed response to Grant Thornton's letter to the Audit & Governance Committee.

(Voting: For 4; Against 0; Abstentions 0)

7. Grant Thornton Draft Audit Findings for Shepway District Council 2016/17

Report AuG/17/06 – Grant Thornton are required to issue a report to those charged with governance, summarising the findings and conclusions of their audit work. They are also required by professional auditing standards to report certain matters before giving an opinion on the financial statements for the year ended 31 March 2017.

The Chairman announced a revised report had been produced and circulated prior to the meeting and it was suggested by Elizabeth Jackson, Engagement Lead, Grant Thornton that there would not be any other amendments.

On the final page of the report it was shown that an audit certificate cannot be produced at this time for the year ended 31 March 2017, due to objections raised in relation to the 2015/16 accounts which had not as yet been concluded. However, Grant Thornton reiterated that there would be no impact on issuing an unqualified opinion for the 2016/17 accounts.

Mr Tim Madden, Corporate Director, Organisational Change, advised there had been substantial costs and staff time involved in dealing with these objections.

Grant Thornton's fees are still to be confirmed although it was felt these would not vary significantly from those quoted.

Proposed by Councillor Michael Lyons
Seconded by Councillor Damon Robinson and

Resolved:

- 1. To receive and note Report AuG/17/06.**
- 2. To consider Grant Thornton's The Audit Findings for Shepway District Council Year Ended 31 March 2017 report.**
- 3. To approve the Letter of Representation and authorise the Chairman to sign the Letter on behalf of the Council.**

(Voting: For 4; Against 0; Abstentions 0)

8. Statement of Accounts 2016/17

Report AuG/17/05 – In accordance with the Accounts and Audit Regulations 2015 the council must consider and approve its Statement of Accounts no later than 30 September 2017. The Accounts have been subjected to audit, the details of which are set out in Grant Thornton's Audit Finding report.

The Chairman announced a revised Statement of Accounts had been produced which had been circulated prior to the meeting. In this revision changes had been made however, this did not affect the overall figures. Grant Thornton had also added their report and opinion.

Proposed by Councillor David Owen

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Seconded by Councillor Michael Lyons and

Resolved:

- 1. To receive and note Report AuG/17/05.**
- 2. To approve the Statement of Accounts 2016/17.**

(Voting: For 4; Against 0; Abstentions 0)

Prior to the closure of the meeting, the Chairman of Audit and Governance Committee, Councillor David Owen, signed the Letter of Representation on behalf of the Council.