

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Tuesday, 5 March 2019
Present	Councillors Len Laws (In place of Damon Robinson), Michael Lyons, David Owen (Chairman) and Paul Peacock (Vice-Chair)
Apologies for Absence	Councillor Damon Robinson
Officers Present:	Alastair Clifford (Operations Manager), Amandeep Khroud (Assistant Director), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit) and Charlotte Spendley (Assistant Director)
Others Present:	Elizabeth Jackson (Grant Thornton)

54. **Declarations of Interest**

Councillor David Owen declared a voluntary announcement in that he is a Board Member of East Kent Housing. He remained in the meeting and took part in the discussions and voting.

55. **Minutes**

Proposed by Councillor Michael Lyons
Seconded by Councillor David Owen and

Resolved: The minutes of the meeting held on 4 December 2018 were submitted, approved and signed by the Chairman.

(Voting: For 2; Against 0; Abstentions 2)

56. **Corporate Health and Safety Annual report**

The report detailed the performance of Corporate Health and Safety over the last calendar year and looks into future work.

Alastair Clifford, Operations Manager presented members with the report and answered a number of questions highlighted below:

- Lone Working – this relates to emergency response officers who have GPS tracking equipment.
- Training – as training is an important part of mitigating risks to health and safety, officers will be working together over the next year to support service areas managers to identify training requirements.
- Accident claims – individual cases cannot be discussed but general information can be provided if members so wish.
- Fire Safety – it was noted that the last external fire safety audit took place in 2015, Following the Grenfell, London issues it was agreed that a further audit took place which has resulted in new updated fire signs being produced throughout the building and repairs to all fire doors will start shortly with works anticipated to be completed within the next 10 weeks.
- Fire equipment checks – it is recommended that 6 monthly checks are required on all fire equipment but the Operations Manager has made the decision to ensure his team do monthly checks which meets audit requirements. External fire checks will be carried out annually.
- Staffing – a Corporate Health and Safety Officer had been appointed in June on a 1 year contract pending review.

Mr Clifford explained that this year had set a benchmark of what can be achieved and a report will be brought back to Committee six monthly.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note Report AuG/18/23.**

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

57. Annual report of Audit and Governance Committee

The report summarised the achievements of the Audit and Governance Committee against the terms of reference for the period 1 April 2018 to 31 March 2019 and details the impact that it has made on the overall system of internal control in operation.

Amandeep Khroud, Assistant Director – Governance, Law & Regulatory Services updated members by highlighting that there had been 3 dispensations for members of the Oportunitas Board and no Code of Conduct complaints this year.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note report A/18/20.**

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

58. Local Code of Corporate Governance

The report recommended the approval of a local code of corporate governance for 2019/20.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note report AuG/18/21.**
- 2. To adopt the local code of corporate governance appended.**

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

59. Internal Audit Progress report from the Head of the East Kent Audit Partnership

The report included the summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee meeting together with details of the performance of the EKAP to the 31st December 2018.

Chris Parker, Audit Manager (Deputy Head of Audit), presented the report with no additional information to bring to the attention of members.

Members noted the following:

- EKH Contract Management– the follow up is in progress and it is intended to conclude this in time to be brought to members at the next meeting of the Committee.
- Actual and Target figures (Appendix 4) – some of the % marks are below target and members noted that this is due to timings of information from the 6 partners but it is anticipated that final figures will be in the region of 85%. Updated figures can be forwarded to members.
- Resources – members asked if there was sufficient resources to carry out the identified program over the 330 days allotted to the Council and were given assurances that there are sufficient resources to be able to provide an annual opinion on the system of internal controls in operation for the council over the year. Tim Madden (Corporate Director - Customer, Support and Specialist Services) clarified they were sufficient but if further days are required then these can be commissioned where necessary.

Proposed by Councillor Paul Peacock
Seconded by Councillor Michael Lyons and

Resolved:

- 1. To receive and note Report AuG/18/18.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

(Voting: For 3; Against 0; Abstentions 1)

60. Internal Audit Draft Audit Plan 2019/20

The report presented sets out the draft plan of work for the forthcoming 12 months for approval.

Christine Parker, Head of Audit Partnership informed members that consultation had taken place with Heads of Service, s151 Officer and CLT to produce the draft plan, and this was the committees opportunity to input.

Members noted the plan and the concise list of major risks faced nationally in all sectors, and those specific to local government.

Proposed by Councillor David Owen
Seconded by Councillor Michael Lyons and

Resolved:

- 1. To receive and note Report AuG/18/19.**
- 2. That Members approve (but not direct) the Council's Internal Audit Plan for 2019/20.**

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

61. Update to the Corporate Risk Register

The report presented a refreshed Corporate Risk Register based upon the updated Risk Management Policy & Strategy which was adopted by Cabinet in July.

Charlotte Spendley, Assistant Director - Finance, Customer & Support Services referred members to the appendices attached to the report and the 12 risks identified, together with Brexit, which is an emerging risk on the register. Officers are planning for the worst case scenario until an outcome is announced.

She explained that good progress across departments was being made and that the register is a live document being updated regularly.

Members noted the high turnover of staff in the Planning department and asked what is being done to rectify this and were informed that officers are addressing this by moving away from temporary staff to permanent appointments to support the gaps. Further information will be sort and a response given to the Committee.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note report AuG/18/24.**

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

62. Grant Thornton Risk Assessment Work

Grant Thornton were seeking confirmation from the Committee about how it gains assurance from management. Their request included a series of questions on fraud, laws and regulations. The proposed response is attached to the papers circulated with the agenda.

Members noted that the report does not go into too much detail in respect of related parties of EKH, FPPG and Oportunitas and although this is not usual practice asked that further information is provided in the future.

Proposed by Councillor David Owen
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note Report AuG/18/25.**
- 2. To recieve and approve the proposed response to Grant Thornton's request.**

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

63. Grant Thornton Audit Plan for the Year Ended 31 March 2019

The report presented the Grant Thornton Audit Plan, which focuses on their proposed work on auditing the statement of accounts for 2018/19 and an update on the audit fees.

Elizabeth Jackson, Grant Thornton presented the report to members highlighting that there was little concern in respect of the Medium Term Financial resilience for Folkestone and Hythe District Council at this time, although government funding continues to be withdrawn.

She informed that as Brexit moves forward audit plans and arrangements are in place with no specific concerns at this time.

Members welcomed a reduction in fees as shown in part 3 of the report. They also noted that LEAP and ITEM referred to in the appendix are in respect of the new software that is now used.

Proposed by Councillor Michael Lyons
Seconded by Councillor Paul Peacock and

Resolved:

- 1. To receive and note Report AuG/18/22.**
- 2. To note Grant Thornton's Audit Plan for the year ended 31 March 2019 and audit fees as outlined within the Appendix to the report.**

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