

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 30 July 2019
Present	Councillors Mrs Ann Berry (Vice-Chair), Ray Field, Philip Martin (Chairman), Tim Prater and Lesley Whybrow
Apologies for Absence	None
Officers Present:	Paul Butler (Elections Manager), Kate Clark (Committee Services Officer), Gavin Edwards (Policy and Improvements Officer), Cheryl Ireland (Chief Accountant), Amandeep Khroud (Assistant Director), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit), Charlotte Spendley (Assistant Director) and Lee Walker (Group Accountant)
Others Present:	Elizabeth Jackson and Andy Ayre, Grant Thornton

1. Declarations of Interest

There were no declarations of interest.

2. Minutes

The minutes of the meeting held on 5 March 2019 were submitted and signed by the Chairman.

3. Polling Districts, places and stations review

The Representation of the People Act 1983 and Electoral Administration Act 2006 places a duty on the council to conduct a review of polling places and polling districts every four years. The last review was concluded by Folkestone & Hythe District Council (as Shepway District Council) in November 2014. A review will be taking place between July and September 2019, which will conclude at the revision of the published register on Sunday 01 December 2019.

A short presentation was given by Mr Paul Butler, Democratic Services Manager, outlining the consultation process and final stages of the review. The presentation is attached to these minutes.

Mr Butler explained that the review is based on the polling districts and not the district wards, parish and town councils boundary lines. He pointed out to members that this is a statutory review which must take place every four years as part of the Representation of the People Act 1983 and Electoral Administration Act 2006.

4. **Annual Governance Statement 2018/19**

Report AuG/19/08 Under the Accounts and Audit (England) Regulations 2011 (as amended), local authorities are required to produce an Annual Governance Statement. The report describes the process followed and seeks approval for the Annual Governance Statement for the year 2018/19.

Proposed by Councillor Philip Martin
Seconded by Councillor Ann Berry and

Resolved:

1. **To receive and note report AuG/19/08.**
2. **To approve the draft Annual Governance Statement for 2018/19.**
3. **To approve the council's corporate action plan outlined in Appendix 3 for 2019/20.**

(Voting: For 5; Against 0; Abstentions 0)

5. **Applications for dispensations under the Code of Conduct for Directors of Oportunitas**

Report AuG/19/01 considers the application for dispensations under the code of conduct for councillors to speak and vote by councillors who are also directors of Oportunitas.

Mrs Amandeep Khroud, Assistant Director, outlined this report and clarified to members that a Director of Oportunitas cannot be a Cabinet member. Also the monthly allowance paid to directors is reviewed and set by the Independent Remuneration Panel. The IRP are due to meet in September 2019 to start their scheduled review of all member allowances.

Members agreed that further clarification is needed with regard to the current Directors of Oportunitas who cannot be a Cabinet Members. The following wording to be added to Point 2 of the Resolution;

A director of Oportunitas, current or proposed, cannot be a member of Cabinet.

Proposed by Councillor Philip Martin

Seconded by Councillor Ann Berry and

RECOMMENDATIONS:

1. **To receive report no AuG/19/01.**
2. **To grant dispensations under the code of conduct and under section 33 Localism Act 2011 to Councillors Patricia Rolfe, Connor McConville, Terrance Mullard and Peter Gane to allow them to speak and vote at meetings where company affairs are discussed. A director of Oportunitas, current or proposed, cannot be a member of Cabinet;**
3. **That the dispensations be time limited to 2 May 2023;**
4. **That in the event of a change of directors the monitoring officer be authorised to consider applications for and grant dispensations to any councillor who becomes a director of Oportunitas on the same terms provided that the councillor concerned is not a member of the cabinet and the dispensation is time limited in the same way.**

(Voting: For 5; Against 0; Abstentions 0)

6. **Appointment of Independent Persons**

Report Aug/19/02 Under S 28(7) Localism Act 2011 and the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 the council must appoint an Independent Person to fulfil the functions set out in the Act and regulation. The report recommends the appointment of two Independent Persons and the person specification for the posts.

Proposed by Councillor Philip Martin
Seconded by Councillor Ann Berry and

Resolved:

1. **To receive and note report AuG/19/02.**
2. **To appoint two Independent Persons under the provisions of the S 27 (7) Localism Act 2011 and the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and to advertise vacancies.**
3. **To approve the person specification for the Independent Person contained in appendix 1 to this report.**

(Voting: For 5; Against 0; Abstentions 0)

7. **Update to the Corporate Risk Register**

Report AuG/19/07 presents a refreshed Corporate Risk Register based upon the updated Risk Management Policy & Strategy which was adopted by Cabinet in July 2018.

Members raised the following points:

- Business case for Otterpool. This will come forward to the Risk Register in Autumn 2019.
- East Kent Housing. It was noted this was not identified as a risk earlier, however the focus is on emerging risk and risks within the corporate plan. Compliance issues, health and safety and landlord services are specific issues which have now emerged.
- Climate change. Based on a successful motion at Full Council on 24 July this should be considered an emerging risk
- Motions at Full Council. A review of the strategy and process can include looking at any successful motions to be incorporated into the Corporate Risk Register where necessary.

Proposed by Councillor Philip Martin
Seconded by Councillor Ann Berry and

Resolved:

1. To receive and note report AuG/19/07.

(Voting: For 5; Against 0; Abstentions 0)

8. Internal Audit Annual Report 2018-19

Report AuG/19/04 provides the summary of the impact of the work of the East Kent Audit Partnership for the year to 31st March 2019.

Mrs Christine Parker, Head of East Kent Audit Partnership, outlined this report which is a key source of assurance for the committee..

Members noted the following:

- 2018/19 Homelessness and Business Continuity had been deferred and this was due to systems changes. Changes are made to the audit plan from time to time.
- Health & Safety audit was completed in 2017/18 and is in the overall strategic plan for further review.
- East Kent Housing. The report shows six reviews undertaken. Four resulting in reasonable assurance and two with limited assurance which Mrs Parker confirmed are all evidence based conclusions. The opinions will reflect good arrangements and sound controls where they are evidenced..
- East Kent Housing Audit Plan for 2018-19 included contract management which was a new review added to the plan. Tenants' health, safety (including fire safety) features regularly in the overall strategic plan, and were currently a work in progress close to being finalised, The results of which will be brought forward to a future meeting of this committee.

Proposed by Councillor Philip Martin
Seconded by Councillor Ann Berry and

Resolved:

1. To receive and note Report AuG/19/04.

(Voting: For 5; Against 0; Abstentions 0)

9. Internal Audit Progress Report from the Head of the East Kent Audit Partnership

Report AuG/19/06 includes 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 May 2019.

Mr Chris Parker, Deputy Head of EKAP outlined this report, which included 6 reviews and 4 follow up reviews. He said that the follow up review of East Kent Housing contract management arrangements had revised the assurance from previously Limited Assurance to a reasonable assurance overall with the Heating and gas service contract now at limited assurance.

Members requested sight of the EKH contract management recommendations the executive summary of this report had been presented to the December meeting of the committee as restricted documents. It was suggested that the following wording is added to the Resolution;

‘To welcome, after review, that the original partially outstanding recommendations of the review into EKH Contract Management are published as soon as possible.’

Mrs Parker confirmed the three partially outstanding recommendations resulting from this follow up review are in the public domain and will make arrangements to circulate the information to members. She clarified that as part of the original audit a sample of contracts were chosen and evaluated which resulted in a range of individual assurances, the Contract Management Arrangements were previously assessed as Limited overall. However, at the point of follow up, the conclusion is Reasonable Assurance overall and the partially limited assurance related to the Heating and Gas Servicing contracts.

As that contract for the Heating and Gas Servicing has ended, and new arrangements are in place a further follow up of the partially outstanding recommendations is no longer relevant.

Proposed by Councillor Tim Prater
Seconded by Councillor Lesley Whybrow and

Resolved:

1. To receive and note Report AuG/19/06.

2. **To welcome, after review, that the original outstanding recommendations of the review into EKH Contract Management are published as soon as possible. (Attached to these minutes).**
3. **To note the results of the work carried out by the East Kent Audit Partnership.**

(Voting: For 5; Against 0; Abstentions 0)

10. **External Audit Findings**

Report AuG/19/09 - 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 2019.

Elizabeth Jackson, Engagement Lead – Grant Thornton, presented the report in detail. She also introduced Andy Ayre, Audit Manager, who is responsible for the day to day process.

She made a point of advising members that a revaluation of housing stock has been adjusted at just under £6M.

The draft accounts were included in the original agenda pack, however an updated version of the draft accounts was circulated to members at the meeting. Ms Jackson assured members that although figures do change, she was absolutely satisfied that the draft accounts are accurate and will sign off accordingly, jointly with the S151 officer, that the accounts are materially fairly stated.

Proposed by Councillor Tim Prater
Seconded by Councillor Ann Berry

RESOLVED:

1. **To receive and note Report AuG/19/09.**
2. **To consider & note Grant Thornton's Audit Findings for Folkestone & Hythe District Council Year Ended 31 March 2019 report.**
3. **To approve the Letter of Representation and authorise the Chairman & Vice Chairman to sign the Letter on behalf of the Council.**

(Voting: For 4; Against 0; Abstentions 1)

11. **Statement of Accounts 2018-19**

Report AuG/19/03 In accordance with the Accounts and Audit Regulations 2015 the council must consider and approve its Statement of Accounts no later than 31 July 2019. The Accounts have been subjected to audit, the details of which are set out in Grant Thornton's Audit Findings report.

It was noted that viewing the draft accounts by the committee to be arranged at the end of May each year. Mr Tim Madden, Corporate Director, did point out that the draft accounts are available to view online, however the committee members felt it would be useful to view and comment earlier in the year.

Members were assured that the final version of accounts are accurate and this was confirmed by the External Auditors, however an additional point to be added to the resolution as follows:

'To note the changes post audit as reflected in the External Auditors report and as assured by the S151 Officer that these have been reflected in the accounts'.

Proposed by Councillor Tim Prater
Seconded by Councillor Ann Berry and

Resolved:

- 1. To receive and note Report AuG/19/03.**
- 2. To note the changes post audit as reflected in the External Auditors report and as assured by the S151 Officer that these have been reflected in the accounts.**
- 3. To approve the Statement of Accounts 2018/19.**

(Voting: For 4; Against 0; Abstentions 1)

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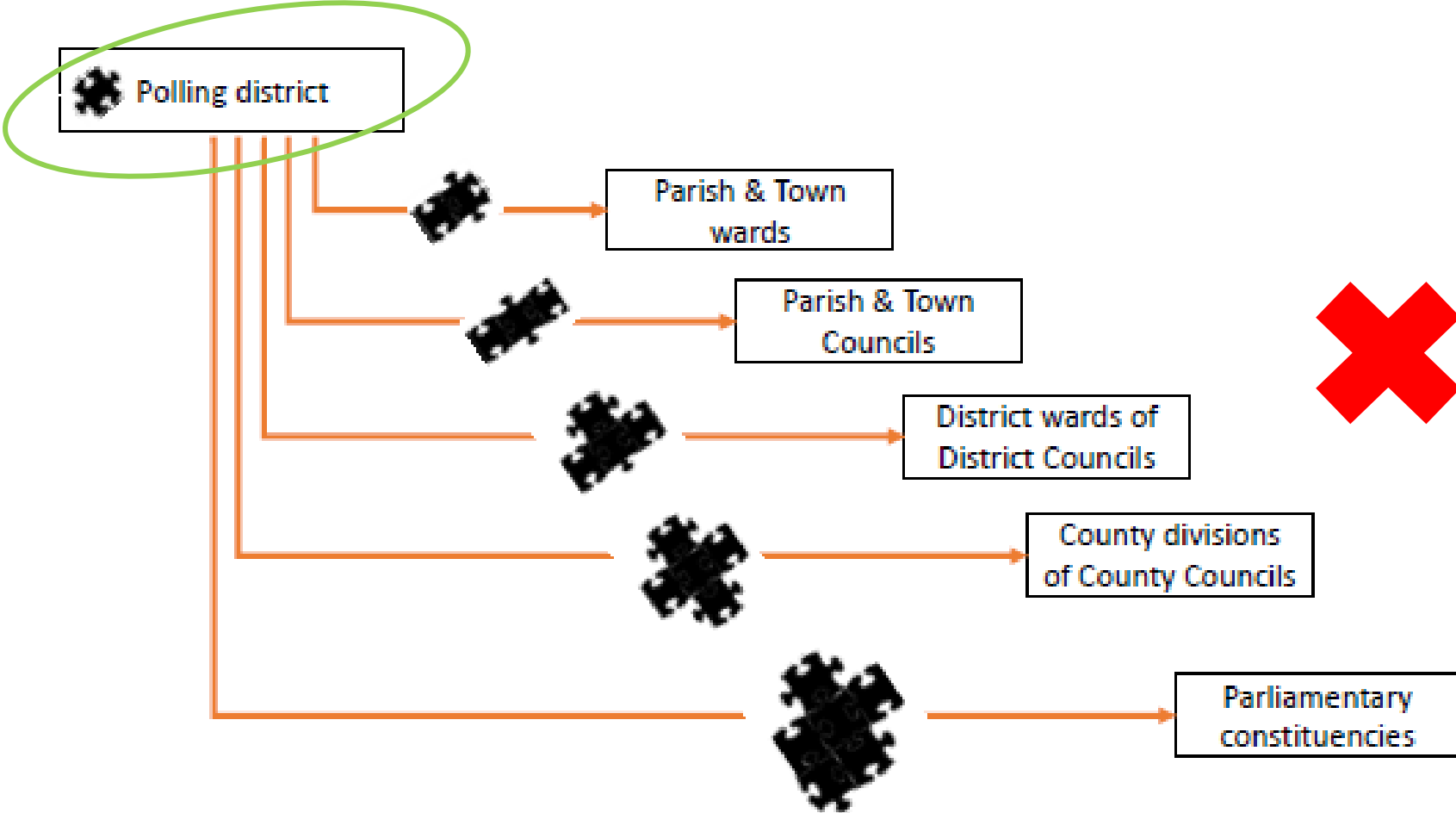
Review of Polling Districts, Places & Stations 2019

Paul Butler
Democratic Services Manager

Requirements

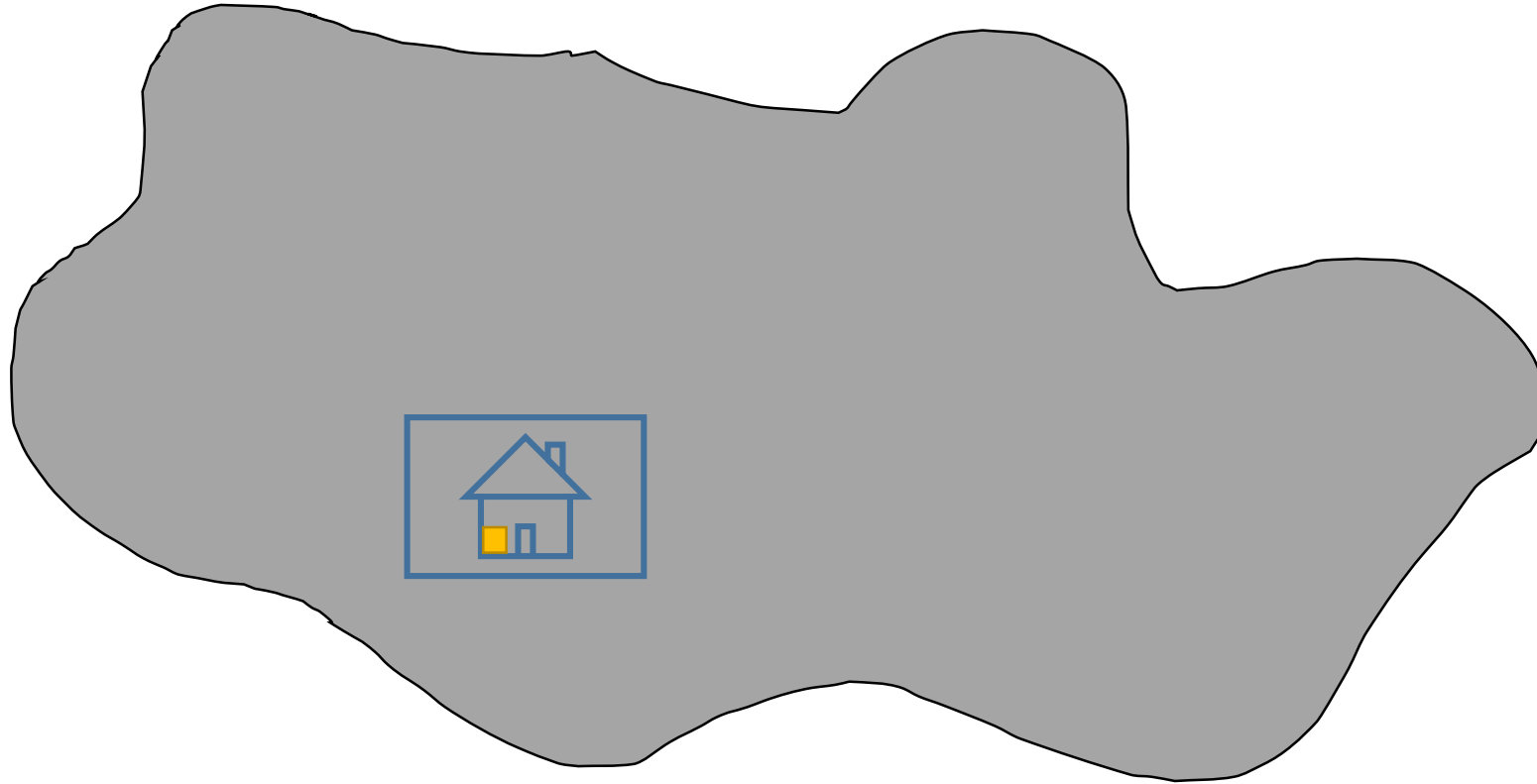
- Commitment to review current set up of:
 - Polling Districts
 - Polling Places
 - Polling Stations

Polling Districts



Polling Places & Stations

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Polling District A

Timetable

Notice of Review published & start of consultation	Wednesday 3 rd July 2019
Submission of Representation deadline	Wednesday 14 th August 2019
Submission of Comments on ARO statement deadline	Wednesday 4 th September 2019
Proposals submitted to Audit & Governance Committee	Wednesday 18 th September 2019
Recommendations reported to Full Council	Wednesday 25 th September 2019
Revised Electoral Register published with changes	Sunday 1 st December 2019

Progress so far...

- Pre-requisite work
- Notice published
- Consultation has started
- Webpages / Civic Centre documents
- ARO Statement published
- Written correspondences

What is left to do...?

- Collate all evidence and representations
- Finalise recommendations
- A&G Report
- Full Council
- Implement changes for 1st December 2019

Conclusion

- Recommendations & correspondence published
- New maps drawn (if needed)
- Notice of conclusion
- Appeals / EC

Questions?

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Internal Audit Progress Report from the Head of the East Kent Audit Partnership (Minute Item 9).

The three Partially Outstanding recommendations at the time of the Dover District Council meeting on 27 June 2019 are on pages 18, 19 and 20 of the following link: (the contract terminated on 3 July)

<https://moderngov.dover.gov.uk/documents/g3209/Public%20reports%20pack%2027th-Jun-2019%2018.00%20Governance%20Committee.pdf?T=10>

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