

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Thursday, 29 July 2021
Present	Councillors Mrs Ann Berry (Vice-Chair), Laura Davison, Philip Martin (Chairman) and Rebecca Shoob and Andy Vanburen (Independent Member)
Apologies for Absence	Councillor Terence Mullard
Officers Present:	Kate Clark (Case Officer - Committee Services), Cheryl Ireland (Chief Financial Services Officer), Amandeep Khroud (Assistant Director), Mrs Christine Parker (Head of Audit Partnership) and Charlotte Spendley (Director of Corporate Services)
Others Present:	Paul Dossett (Grant Thornton)

1. **Declarations of Interest**

There were no declarations of interest.

2. **Minutes**

The minutes of the meeting held on 27 May 2021 were submitted, approved and signed by the Chairman.

3. **Annual Governance Statement 2020-2021**

Under the Accounts and Audit (England) Regulations 2015, local authorities are required to produce an Annual Governance Statement. This report describes the process followed and seeks approval for the Annual Governance Statement for the year 2020/21.

The Assistant Director, Governance and Law, highlighted various changes within the report.

Members comments included:

- ICO Decision Notice issued in March 2021, could members be updated once concluded? Confirmation received that this will be noted.
- CIPFA Statement – work in progress. Members asked if anything had emerged. The Chief Financial Services Officer confirmed work in progress and most procedures were compliant.
- This committee will continue to have an ongoing role with regard to governance around Otterpool Park.
- The outstanding objection to the 2018/19 accounts had been resolved. Grant Thornton had responded.

Proposed by Councillor Rebecca Shoob
Seconded by Councillor Mrs Ann Berry and

Resolved:

- 1. That AuG/21/09 is received and noted.**
- 2. That the Annual Governance Statement for 2020/21 is approved.**
- 3. That the Council's Corporate Action Plan outlined in Appendix 1 of the agenda for 2021/22 is approved.**

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

4. Quarterly Code of Conduct Complaints update

This report provided an update to the Committee on Member Code of Conduct complaints received during the final quarter of 20/21 (1 January to 31 March 2021).

Members were taken through the report which culminated in a question being asked about actions taken as a result of a complaint.

Action taken, if appropriate, would warrant investigation, contact made with the relevant clerk, dialogue with those concerned, followed by the offer of training. Members were reminded that eight complaints were received for the final quarter of 2020/21, none of which required further investigation.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Philip Martin

Resolved:

That AuG/21/04 is received and noted.

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

5. Review of Corporate Risk Register

This report provided an update to the Corporate Risk Register.

The Director of Corporate Services outlined the report to members advising that the new Corporate Plan had been adopted in February this year with a

subsequent new Corporate Risk Register reflecting new challenges and pandemic recovery.

Cyber risk had been added, this is sector wide and a real concern for all local authorities. Waste Management is the highest risk for reasons already publicised.

Members noted the following:

- Good to see Carbon Neutrality on the register, which is considered a significant risk.
- Organisational Capacity – how this impacts on people's day to day jobs. Resources need to be strengthened in key areas and extra staff have been deployed.
- Waste management – could the problems have been spotted earlier? Aspects of the service were incorporated in the register as pressures identified due to the pandemic.
- Department Risk Register – two thirds of departments have completed their risk registers
- Training is encouraged which would hopefully have the effect of slowing risks and strengthening the risk process.
- The committee requested that the Corporate Risk Register could be shared with members before the standard agenda deadlines.

Proposed by Councillor Rebecca Shoob

Seconded by Councillor Laura Davison

Resolved:

1. That AuG/21/10 is received and noted.

2. That the updated Corporate Risk Register is received and noted.

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

6. Internal Audit Annual Report 2020-21

Report AuG/21/08 provided a summary of the work undertaken by the East Kent Audit Partnership to support the annual opinion. The report included the Head of Audit Partnership's opinion on the overall adequacy and effectiveness of the system of internal control in operation and informed the Annual Governance Statement for 2020-21, together with details of the performance of the EKAP against its targets for the year ending 31 March 2021.

The Head of Audit Partnership took members through this report and drew members' attention to certain parts of the report. Thanks was given to all for their engagement regarding EKAP returning to the audit plan after being redeployed in Quarter One, this had enabled sufficient work to have been undertaken to provide an opinion, in accordance with the advice from CIPFA.

A member asked about Compliance with Professional Standards (Point 3.6) and whether any further work needs to be completed. An update was suggested

alongside the Plan at the March meeting, which the Director of Corporate Services was happy to provide, although did point out that a detailed evaluation and report is normally carried out in five yearly intervals.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Laura Davison

Resolved:

- 1. That the opinion of the Head of Audit Partnership in report AuG/21/08 is received and noted.**
- 2. That the Annual Report detailing the work of the EKAP and its performance to underpin the 2020-21 opinion is received and noted.**

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

7. Internal Audit Quarterly Update Report form the Head of East Kent Audit Partnership

Report AuG/21/07 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 30 June 2021.

The Head of Audit Partnership presented the summary of work along with the appendices.

The summary of reports shows three were providing substantial, eight were reasonable assurance and one was not applicable for an assurance and members were reassured that these would be followed up and reported back to this committee. In addition, three follow up reviews had been completed during the period. In response to a question, it was also confirmed that any changes made to the Scheme of Delegations would be presented to the Audit & Governance Committee before seeking approval from Full Council.

Members were impressed with the level of assurance with regard to Housing Tenants' Health and Safety and progress made by all those involved.

Proposed by Councillor Rebecca Shoob
Seconded by Councillor Philip Martin

Resolved:

- 1. That Report AuG/21/07 is received and noted.**
- 2. That the results of the work carried out by the East Kent Audit Partnership are noted.**

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

8. Grant Thornton update

Grant Thornton's report provided an update on recent audit work undertaken, progress against key deliverables and a brief technical update.

Mr Paul Dossett, Grant Thornton, highlighted aspects of the reports; progress made; value for money and the strong arrangements put in place.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Philip Martin

Resolved:

That Report AuG/21/06 and Grant Thornton's Update Report is received and noted.

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

9. Draft Statement of Accounts

In accordance with the Accounts and Audit (Amendment) Regulations 2021 the council must consider and approve its Statement of Accounts no later than 30 September 2021. The Accounts presented are subject to audit which is ongoing at the time of drafting this report.

The Chief Financial Services Officer presented the report and confirmed to members the amended submission deadline and publication of the Statement of Accounts. The final audit will be presented to this committee in September 2021.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Philip Martin

Resolved:

- 1. That Report AuG/21/05 is received and noted.**
- 2. That the Draft Statement of Accounts 2020/21 is approved.**

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