

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 16 March 2022
Present	Councillors Mrs Ann Berry (Vice-Chair), Laura Davison, Philip Martin (Chairman), Terence Mullard, Rebecca Shoob and Andy Vanburen (Independent Member)
Apologies for Absence	None
Officers Present:	Kate Clark (Case Officer - Committee Services), Amandeep Khroud (Assistant Director), Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit) and Charlotte Spendley (Director of Corporate Services)
Others Present:	Paul Dossett (Grant Thornton)

22. Declarations of Interest

There were no declarations of interest at the meeting.

23. Minutes

The minutes of the meeting held on 8 December 2021 were submitted, approved and signed by the Chairman.

24. Quarterly update on Code of Conduct Complaints

The report provided an update to the Committee on Member Code of Conduct complaints received during the third quarter of 2021/22 (1 October to 31 December 2021).

Councillor Davison asked about complaints received prior to this period and actions that followed. The Monitoring Officer confirmed a response will follow.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Philip Martin

RESOLVED:

1. That report AuG/21/20 be received and noted.

(Voting figures: 5 for, 0 against, 0 abstentions).

25. Annual Report - Maintaining Ethical Standards

The annual report to the Audit and Governance Committee is submitted in accordance with the Committee's term of reference as follows:

"To receive an annual report on the District Council's ethical governance arrangements".

One of the roles of the council's Monitoring Officer is to advance good governance and ensure the highest standards of ethical behaviour are maintained through the effective discharge of their statutory duties.

Councillor Davison asked for more details on the Members Code of Conduct. The Monitoring Officer confirmed a response will be provided.

Proposed by Councillor Terry Mullard
Seconded by Councillor Rebecca Shoob; and

RESOLVED:

1. That report AUG/21/21 be received and noted.

(Voting figures: 5 for, 0 against, 0 abstentions).

26. Annual Governance Statement actions - update on 21/22 actions

The report presented the current position on progress towards achieving the 2021/22 actions set out in the Annual Governance Statement.

Members were advised that all actions (as detailed in Appendix 1) were in progress or complete.

Councillor Davison asked for further details on the Folkestone Town Centre Partnership Board with regard to membership and terms of reference. The Director of Corporate Services said this information would be provided.

Councillor Shoob referred to the Data Retention Policy and one year retention of emails. The Monitoring Officer advised an officer would contact Councillor Shoob with further information. Reference was also made to the approval process of this policy and it was confirmed that the policy is approved at officer level.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Philip Martin

RESOLVED:

- 1. That report AuG/21/24 be received and noted**
- 2. That the progress towards achieving the actions in the Annual Governance Statement be noted (Appendix 1).**

(Voting figures: 5 for, 0 against, 0 abstentions).

27. Quarterly Internal Audit Update Report from the Head of 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 2021.

Mr Chris Parker, Deputy Head of Audit, presented this report and commented that as at the end of February 2022 work is 92% complete against the planned number of days.

Reference was made to Appendix 2, CIL and S106s, it was advised that work was almost finalised and an update would be given at the next meeting. .

Proposed by Councillor Laura Davison
Seconded by Councillor Rebecca Shoob

RESOLVED:

- 1. That Report AuG/21/22 be received and noted.**
- 2. That the results of the work carried out by the East Kent Audit Partnership noted.**

(Voting figures: 5 for, 0 against, 0 abstentions)

28. Draft Internal Audit Plan 2022-23

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

Points raised by members included:

- The Head of Audit Partnership clarified the benchmarking is included in the report to provide context to the available resources for the plan, and was able to commend the plan to members, stating that the days available were sufficient to record an opinion.
- Climate change is a current work in progress and an update would be provided at the next meeting. Under further consideration is whether aspects of Climate Change should be included in every (relevant) audit, or kept as a separate review within the plan.

- HRA Business Plan – members asked whether there could be benefit in bringing this forward in the plan? An update will be provided after consulting with management.
- Licensing Policy –members commented it may be beneficial to bring this forward due to the policy changes and reforms. This would be considered by management and an update would be provided.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Philip Martin

RESOLVED:

- 3. That report AuG/21/23 be received and noted.**
- 4. That the Council's Internal Audit Plan for 2022/23 be approved.**

(Voting figures: 5 for, 0 against, 0 abstentions).

29. The Updated Audit Findings Report and Letter of Representation for Folkestone & Hythe District Council 2020/21

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 2021. The committee considered a draft Audit Findings Report in December and Grant Thornton have now issued an updated report and letter of representation to be signed, following the conclusion of the audit work for 2020/21.

Mr Paul Dossett, Grant Thornton, presented this report and highlighted Section 2 concerning infrastructure assets, ultimately this meant that the signing of the Accounts is delayed until these matters are resolved which is anticipated to be before the next meeting of this committee. There is minimal reputational risk given that the issues being faced are at a national level and affecting many councils.

Members were assured that work is about to start on this outstanding issue which is mainly relates to coastal defences for this Council.

Proposed by Councillor Terry Mullard
Seconded by Councillor Mrs Ann Berry

RESOLVED:

- 2. That report AuG/21/25 be received and noted.**
- 3. That Grant Thornton's updated Audit Findings for Folkestone & Hythe District Council Year Ended 31 March 2021 report be noted.**
- 3. That the Letter of Representation be approved and the Chairman be authorised to sign the Letter on behalf of the Council at the next meeting of the Audit & Governance Committee.**

(Voting figures: 5 for, 0 against, 0 abstentions).

30. **Grant Thornton Audit Progress Report**

Grant Thornton's report gives a progress update on recent audit work undertaken and highlights topical issues.

Proposed by Councillor Philip Martin
Seconded by Councillor Rebecca Shoob

RESOLVED:

1. That report AuG/21/26 be received and noted.
2. That Grant Thornton's update report be noted.

(Voting figures: 5 for, 0 against, 0 abstentions).

31. **Review of Risk Management Policy and Strategy**

The report presented an updated Risk Management Policy & Strategy for consideration by the Audit & Governance Committee, ahead of its adoption by Cabinet. The Policy & Strategy provides a framework the management of risk by Officers and Members.

Members were advised that the Policy and Strategy provided a robust and flexible tool for officers at all levels. The Council delivers many different services to different users and the aim of the document is to provide a balanced approach to risk which supports officers and members and addresses the varied risk profile of services managed by the council.

A member raised a point under Corporate risks (4.2) and suggested that Climate Change is more prominent under the Environment sub-category title. The Director of Corporate Services said this is a point that could be incorporated.

Proposed by Councillor Philip Martin
Seconded by Councillor Rebecca Shoob

RESOLVED:

4. That report AuG/21/27 be received and noted.
5. That it be **recommended to Cabinet** that the updated Risk Management Policy & Strategy be adopted.

(Voting figures: 4 for, 0 against, 1 abstentions).

32. **Review of Corporate Risk Register**

The report provided an update to the Corporate Risk Register.

The Director of Corporate Services presented this report and said that a new risk had been added for MTFIS Inflation. Members were also advised that the waste collection disruption scoring had been amended and that Landlord service failure had been removed.

Councillor Shoob raised a point about climate change adaptation regarding flood risk of coastal areas. The committee were advised that this is to be considered by the Climate & Ecological Working Group and the Director of Corporate Service will seek to include the relevant actions in the next version of the Risk register.

Proposed by Councillor Rebecca Shoob
Seconded by Councillor Terry Mullard

RESOLVED:

- 6. That report AuG/21/28 be received and noted.**
- 7. That the updated Corporate Risk Register be received and noted.**

(Voting figures: 5 for, 0 against, 0 abstentions).

33. Annual report of the 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 2021 to 31 March 2022 and detailed the impact that it has made on the overall system of internal control in operation.

A member raised a question about training relating to Governance matters such as Code of Conduct complaints. The Monitoring Officer responded that any improvements to this will be shared.

Proposed by Rebecca Shoob
Seconded by Mrs Ann Berry

RESOLVED:

- 1. That report AuG/21/29 be received and noted.**

(Voting figures: 5 for, 0 against, 0 abstentions).

34. Local Code of Corporate Governance

The report recommended the approval of a local code of corporate governance for 2022/23.

Proposed by Councillor Philip Martin
Seconded by Councillor Laura Davison

RESOLVED:

- 1. That report AuG/21/30 be received and noted.**
- 2. That the local code of corporate governance be adopted.**

(Voting figures: 5 for, 0 against, 0 abstentions).