

## **Audit and Governance Committee**

Held at: Council Chamber - Civic Centre Folkestone

Date: Wednesday, 21 September 2022

Present: Councillors Mrs Ann Berry (Chairman), Laura Davison, Philip Martin (Vice-Chair), Terence Mullard and Rebecca Shoob

Apologies for Absence

Officers Present: Cheryl Ireland (Chief Financial Services Officer), Amandeep Khroud (Assistant Director), Sue Lewis (Case Officer (Committee)), Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit), Susan Priest (Chief Executive) and Charlotte Spendley (Director of Corporate Services)

Others Present:

### **50. Declarations of Interest**

Councillors Mrs Ann Berry and Terence Mullard informed they are Directors of Oportunitas and elected members of the main shareholder.

Councillor Rebecca Shoob informed she is a Director of Otterpool Park LLP.

### **51. Minutes**

The minutes of the meeting held on 28 July 2022 were submitted, approved and signed by the Chairman.

### **52. Quarterly internal audit update report from the Head of the East Kent Audit Partnership**

This 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 30th June 2022.

The Deputy Head of Audit presented the report highlighting the following:

- Three reports completed in respect of Right to Buy, Disposal of Logs and Disposal of White Goods. The latter two were not assurance reviews as they were scoped to establish the processes in place.
- Five follow up reviews have been completed.
- Progress against the Audit Plan is just under 25% which is on target to 30<sup>th</sup> June 2022.

Members noted the following:

- When trees are cut the logs are taken to the depot to be stored until they are collected by the contractor.
- Previous practice of storage of former tenant belongings in garages is being reviewed.
- Energy Performance Certificates (EPC) last for 10 years but it was found that a test of a small number revealed that some had lapsed during the right to buy process. Any implications from the EPC's not being in place at the time of the Right to Buy and which legislation is relevant, will be circulated to members following the meeting.
- The main audit in respect of contract management is drafted and yet to be reviewed by officers and will be reported at the December meeting of the Committee.

Proposed by Councillor Philip Martin

Seconded by Councillor Rebecca Shoob and

**Resolved:**

- 1. To receive and note Report AuG/22/13.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

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

**53. Grant Thornton update report**

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

Paul Dossett, Grant Thornton updated members on the delays surrounding CIPFA Code requirements for infrastructure assets. This is currently sitting with DLUCH to prepare a statutory override to address the issues raised by CIPFA and auditors. There is no current timescale for the production of the statutory override but it is hoped it will be by end of November/early December.

He informed there is no further works to be done on the accounts for 2021 so they would therefore stand and be closed. The 2022 accounts are in the same position and they could be signed off at the same time.

A request was made to receive individual reports on the financial reporting to allow members to look at each aspect in detail.

Proposed by Councillor Philip Martin  
Seconded by Councillor Rebecca Shoob and

**Resolved: To receive and note Report AuG/22/14.**

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

54. **Statement of Accounts 2021/22**

The council must consider and approve its Statement of Accounts no later than 30 November 2022. The accounts presented are subject to audit which is ongoing at the time of drafting this report.

The Chief Finance Officer confirmed that the accounts remained in draft form and were yet to be signed. The Director of Corporate Services advised the committee that she had yet to sign the accounts for the reasons outlined within the paper, and that she was awaiting the outcome of all the commissioned audits to gain assurance that the accounts as drafted represented a true and fair picture and that no instances of fraud or corruption were found. She confirmed that she anticipated being in a position to sign the accounts shortly, and that she did not anticipate any material changes being made. Grant Thornton confirmed to the committee that they were supportive of the approach being taken.

The draft statement of accounts is available to view on the council's website through the committee papers for this committee, with the final being published once signed off. This will remain in the public domain for 3 years as per the regulations

Proposed by Councillor Philip Martin  
Seconded by Councillor Terence Mullard and

**Resolved:**

1. **To receive and note report AuG/22/12.**
2. **To approve the draft Statement of Accounts 2021/22.**

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

55. **Exclusion of the Public**

Proposed by Councillor Philip Martin  
Seconded by Councillor Mrs Ann Berry and

**Resolved: To exclude the public for the following item of business on the grounds that it is likely to disclose exempt information, as defined in paragraph 2 of Part 1 of Schedule 12A to the Local Government Act 1972 –**

**'Information which is likely to reveal the identity of an individual.'**

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

56. **Confidential Excerpt to Quarterly Internal Audit update report from the Head of the East Kent Audit Partnership**

This report included the confidential summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee meeting on 28th July 2022.

Members noted the preliminary findings, together with the areas for improvement as identified within the draft report and ensuring that staff are reminded of the need to comply and provide the necessary declarations of interest for officers. It was noted that whilst a breach of the Pecuniary Interest rules (Section 117) would have serious implications, none were identified.

Proposed by Councillor Rebecca Shoob  
Seconded by Councillor Terence Mullard and

**Resolved:**

1. **To receive and note Report AuG/22/15.**
2. **To note the results of the confidential extract covering work carried out by the East Kent Audit Partnership since 28th July 2022.**

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