

## **Audit and Governance Committee**

Held at:	Virtual Zoom Meeting
Date	Wednesday, 30 September 2020
Present	Councillors Mrs Ann Berry (Vice-Chair), Laura Davison, Philip Martin (Chairman), Terence Mullard and Rebecca Shoob
Apologies for Absence	None
Officers Present:	Paul Butler (Elections Manager), Kate Clark (Case Officer - Committee Services), Cheryl Ireland (Lead Accountant), Amandeep Khroud (Assistant Director), Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit), Charlotte Spendley (Director of Corporate Services) and Jemma West (Committee Service Specialist)
Others Present:	Paul Dossett and Marc Chang (Grant Thornton)

### 45. **Declarations of Interest**

There were no declarations of interest.

### 46. **Minutes**

The minutes of the meeting held on 30 July 2020 were submitted and approved. The Chairman, Councillor Martin, indicated that his electronic signature could be added to the minutes.

### 47. **Appointment of Temporary Councillor - Brenzett Parish Council**

Due to unforeseen circumstances Brenzett Parish Council could not meet the requirements of quorum at a planned parish meeting on 14 September 2020. A temporary councillor was appointed by the Head of Paid Service under her urgency powers to act at this meeting to fulfil the requirements of quorum and allow the Parish Council to function.

Report AuG/20/06 advised committee members that this had taken place and the Secretary of State had also received notification of this happening.

It was confirmed that District Councillor Tony Hills had been temporarily appointed to Brenzett Parish Council. At the meeting that he attended, one vacant seat was filled by co-option. One vacancy still exists. The Parish Council are now quorate.

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

**RESOLVED:**

- 1. To receive and note report AuG/20/06.**
- 2. To note the use by the Head of Paid Service of her urgency powers to make a temporary appointment to Brenzett Parish Council pursuant to S91 Local Government Act 1972.**

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

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

Report AuG/20/05 included a 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 2020.

Mr Chris Parker, Deputy Head of Audit, presented this report to members highlighting the five main topics. The pandemic has had an impact on the audit team's work with some deferrals on audits in the plan.

Members noted further points:

- Climate change. Background work on this had started prior to the pandemic and the plan is that this topic will be part of the audit plan for 2021/22.
- Creditors Duplicate Testing. This is regular work carried out to check for duplicate payments, feedback is then provided to the Finance Team.
- EKH Tenants' Health and Safety. There were a high number of compliance issues, however improvements and mitigation measures are in place. From 1 October 2020 EKH services will be brought back in-house. A detailed compliance report will be presented to the Overview & Scrutiny Committee and members of this committee, Audit & Governance, have asked if they could also see the report.
- Emergency Planning & Business Continuity. This was deferred due to lockdown and officer deployment elsewhere.
- Dog Enforcement and Otterpool Park Governance. These topics show zero actual days due to a delay in finalising reports which were completed after 30 June 2020, the time spent will be reflected in the next report.
- EKH – Tenancy & Right to Buy Fraud. This is work being undertaken across the four councils using Ashford Borough Council's counter-fraud team expertise as a pilot. The pilot being commenced was delayed by

the agreement needing to cover GDPR and is required to be signed by all four councils and due the C19 redeployment of staff.

- Follow-up of Audit Report Action plans is an essential part of the audit process. Any follow-ups will be reported back to this committee. Recommendations are usually followed-up after three to six months of the initial audit, depending upon the priority risk rating and proposed completion date that has been agreed.

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

**RESOLVED:**

- 1. To receive and note Report AuG/20/05.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

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

**49. The Audit Findings for Folkestone & Hythe District Council 2019/20**

Grant Thornton were required to issue a Report to those charged with governance, summarising the findings and conclusions of their audit work. They were also required by professional auditing standards to report certain matters before giving an opinion on the financial statements for the year ended 31 March 2020.

Mr Paul Dossett and Mr Marc Chang from Grant Thornton presented the report; the audit findings and the financial statement respectively. They highlighted certain areas within the report:

- Significant audit risks assessment
- Going concern assessment
- Value for Money 2019/20

Also highlighted was Value for Money 2018/19, looking at East Kent Housing. It was identified that the poor outcomes for 2018/19 had been addressed and that robust arrangements were put in place for 2019/20. Consideration given to contract and member reports along with officer focus.

The Grant Thornton representatives were keen to point out that the District's Finance Team had been extremely co-operative and thanked them for this.

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

**RESOLVED:**

- 1. To receive and note Report AuG/20/08.**
- 2. To consider & note Grant Thornton's Audit Findings for Folkestone & Hythe District Council Year Ended 31 March 2020 report.**

**3. To approve the Letter of Representation and authorise the Chairman and Vice Chairman to sign the Letter on behalf of the Council.**

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

**50. Statement of Accounts 2019/20**

In accordance with the Accounts and Audit (Coronavirus) Amendments Regulations 2020 the council must consider and approve its Statement of Accounts no later than 30 November 2020. The Accounts have been subjected to audit, the details of which are set out in Grant Thornton's Audit Findings report.

Members referred to figures within long and short term borrowing which related to the purchase of land at Otterpool Park.

Proposed by Councillor Rebecca Shoob  
Seconded by Councillor Terry Mullard

**RESOLVED:**

- 1. To receive and note Report AuG/20/07.**
- 2. To approve the Statement of Accounts 2019/20.**

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

**51. Review of Corporate Risk Register**

Report AuG/20/09 provided an update to the Corporate Risk Register.

Charlotte Spendley, Director of Corporate Services, highlighted the key changes to the Register, along with a new risks identified for Covid-19 pandemic and Brexit/wider market conditions.

It was noted by members that Climate change is not a specific risk although it is referenced. Climate change could be a consideration to be included in the Register.

Members asked how risks in the Register are determined. Factors for inclusion involve judgement based on focusing on strategic areas within the Council, consideration of Cabinet and Council decisions and regular discussions on emerging risks at CLT.

It was noted that the titles of the scoring section in the Corporate Risk Register contain an error. In this respect a corrected Register will be circulated to members.

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

**RESOLVED:**

**To receive and note the updated Corporate Risk Register.**

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