

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 8 December 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:	Amandeep Khroud (Assistant Director), Sue Lewis (Committee Services Officer), 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)

15. **Declarations of Interest**

There were no declarations of interest.

16. **Minutes**

The minutes of the meeting held on 28 September 2021 were submitted, approved and signed by the Chairman.

17. **Quarterly update on Code of Conduct Complaints**

The report provides an update to the Committee on Member Code of Conduct complaints received during the first and second quarter of 2021/22 (1 April to 30 September 2021).

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

Resolved: To receive and note report AuG/21/15.

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

18. Appointment of External Auditor

Report AuG/21/19 set out an update on the options available and a recommended course of action regarding the appointment of the External Auditor to the Council.

Proposed by Councillor Laura Davison
Seconded by Councillor Mrs Ann Berry and

Resolved:

- 1. To receive and note report AuG/21/19.**
- 2. To recommend to Full Council the option (3) to enter into the procurement exercise led by the Public Sector Audit Appointments Ltd (PSAA) for the appointment of external auditors for a period of five financial years from 1 April 2023.**

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

19. 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 30th September 2021.

The Deputy Head of Audit presented the report with members noting that Safeguarding training is mandatory for all staff.

Proposed by Councillor Laura Davison
Seconded by Councillor Rebecca Shoob and

Resolved:

- 1. To receive and note Report AuG/21/16.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

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

20. The Audit Findings 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.

Paul Dossett, Grant Thornton, took members through the report, informing that they had completed the vast majority of work. Members asked for clarification with regards to the difference between level 2 and level 3 in respect of financial assets and also noted that no implications had arisen in respect of audit adjustments.

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

Resolved:

- 1. To receive and note Report AuG/21/17.**
- 2. To consider & note Grant Thornton's Audit Findings for Folkestone & Hythe District Council Year Ended 31 March 2021 report.**
- 3. To approve the Letter of Representation and authorise the Chairman to sign the Letter on behalf of the Council.**

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

21. Statement of Accounts 2020/21

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 have been subjected to audit, the details of which are set out in Grant Thornton's Audit Findings report.

Members received the draft Statement of Accounts at their meeting in July and the Accounts presented this evening had been updated for the audit changes following the report by Grant Thornton in their report referred to in minute 20. The Director, Corporate Services provided members with these changes as follows:

- Two material key changes to the statements (the reclassification of the land options at Otterpool Park and the reclassification of the small business grant fund payment made on 31 March 2021) with no impact of overall position.
- Two notes removed as not required (exceptional items and agency services)
- Three additional notes (including Council acting as agent for Business Grants, Expenditure and Income analysed by nature)
- Reference updates and narrative changes
- Inclusion of soft loans as financial assets
- Update to related parties (Central Government)
- Amendment to audit fees

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

Resolved:

- 1. To receive and note Report AuG/21/18.**

2. To approve the Statement of Accounts 2020/21.

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