

## **Audit and Governance Committee**

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 7 December 2022
Present	Councillors Mrs Ann Berry (Chairman), Laura Davison, Gary Fuller, Philip Martin (Vice-Chair), Terence Mullard and Rebecca Shoob
Apologies for Absence	
Officers Present:	Paul Butler (Elections Manager), Amandeep Khroud (Assistant Director), Sue Lewis (Case Officer (Committee)), Mrs Christine Parker (Head of Audit Partnership), Susan Priest (Chief Executive) and Charlotte Spendley (Director of Corporate Services)
Others Present:	Andy Vanburen, Independent Member and Paul Dossett, Grant Thornton

### **57. 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.

### **58. Minutes**

The minutes of the meeting held on 21 September 2022 were submitted, approved and signed by the Chairman with the following amendment:-

Paragraph 3 Minute 54 should read “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.”

### **59. Temporary Polling Place (station) Changes at Parliamentary, Local, police and Crime Commissioner Elections and Parish Polls**

It is best practice to ensure delegated power is in place for elections to allow an appropriate officer to determine suitable, alternative arrangements if a polling place (station) is unavailable, or unsuitable for the needs of the election, electorate and/or legislation changes. Temporary measures could be later made permanent at a compulsory polling district and place review and this report seeks to ensure that the necessary authority is in place to ensure polling place requirements are met.

Proposed by Councillor Philip Martin  
Seconded by Councillor Laura Davison and

**Resolved:**

- 1. To receive and note report AuG/22/19.**
- 2. To recommend to the Council that the Returning Officer / Acting Returning Officer be delegated the authority to amend the designation of polling districts and polling places, on a temporary basis, should it become necessary to do so, in the course of conducting Parliamentary, local government, police and crime commissioner elections and parish polls.**

(Voting: For 6; Against 0; Abstentions 0)

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

This report provided an update to the Committee on Member Code of Conduct complaints received during quarters 1 and 2 of 2022/23 (1 April to 30 September 2022).

It was agreed that future reports would include “Action Taken” (if applicable) to update members on what has been agreed.

Proposed by Councillor Gary Fuller  
Seconded by Councillor Philip Martin and

**Resolved: To receive and note report AuG/22/16.**

(Voting: For 6; Against 0; Abstentions 0)

**61. Review of the Corporate Risk Register**

This report provided an update to the Corporate Risk Register.

Particular attention was paid to the following:

- C13 – this is a new risk added in respect of the election in 2023, the first requiring voter ID. Delays in secondary legislation and guidance will affect the planning for and delivery of the elections, it is hoped that a decision will be made in January 2023.

- C11 – this has been a low risk for a significant time and with actions implemented it was felt that it could now be deleted but remains a priority of the council.
- C9 – Housing Deliverability, with the stock condition survey now complete and officers using the data it was required to re-score from high to extreme in relation to concerns about meeting net zero carbon requirements.  
Compliance is a major focus of the housing team and CLT and although there has been a dip in some compliances, work undertaken recently by legal and housing has now been concluded with CLT receiving weekly updates.
- The government has announced that council’s housing targets might be reduced and although this is advisory at this stage the council will continue to work with the approved core strategy. If policy does change then it is usual for a transitional arrangement to be in place but no information has been received. Head of Planning is keeping a close watch on this.

It was agreed officers would review in March the terminology in the policy and seek to make it easier to navigate in future reports, in the meantime a key to scores will be included.

Proposed by Councillor Laura Davison  
Seconded by Councillor Philip Martin and

**Resolved: To receive and note report AuG/22/18 and the updated Corporate Risk Register.**

(Voting: For 6; Against 0; Abstentions 0)

62. **The Audit Findings for Folkestone & Hythe District Council 2021/22**

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 2022.

Members noted the financial risks set out within the report paying particular attention to valuation of assets, Otterpool adjustments and resourcing issues.

Proposed by Councillor Philip Martin  
Seconded by Councillor Terence Mullard and

**Resolved:**

- 1. To receive and note Report AuG/22/22.**
- 2. To note Grant Thornton’s Draft Audit Findings for Folkestone & Hythe District Council Year Ended 31 March 2022 report.**

(Voting: For 6; Against 0; Abstentions 0)

**63. Quarterly Internal Audit Update Report from the Head of 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 September 2022.

Members noted the report paying particular attention to the following:

- Garden Waste the audit had not covered any service issues or complaints regarding payments for extra bins The findings had centred on the requirement to improve reconciliations between the three relevant systems. The progress towards implementing the agreed recommendations will be reported at a future meeting.
- Progress against the audit plan had been updated since the report was published and is now at 62.5% complete as at end of November 2022.
- Particular attention was paid to how the sample was selected for the Contract Management review and the range in which they are chosen from the contracts register. The audit had covered the arrangements required for spend in a selection of departments for contracts up to £10,000, between £10,000 and £99K and over the tendering limit.
- Members questioned if Procurement staffing levels were sufficient and were informed that there is a lot of activity in that area , therefore it has been decided to recruit a temporary member of staff to work alongside the procurement team for 6 months. Responsibility for Procurement will still rest with budget managers who should behave within the rules the Council has. Training is to be provided and anyone who fails to follow the contract standing orders thereafter may face disciplinary action.
- Car park income – there have been some on-going issues in relation to the information provided by the contractor for cash collection but members were informed that progress was now being made and all the information was now available for the Council to be able to reconcile the payments, although the information arriving late had caused a backlog of work which was being undertaken with case officer support.

Proposed by Councillor Terence Mullard  
Seconded by Councillor Laura Davison and

**Resolved:**

- 1. To receive and note Report AuG/22/17.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

(Voting: For 6; Against 0; Abstentions 0)

**64. Annual Governance Statement Actions –Update on 2022-23 actions**

This report presented the current position on progress towards achieving the 2022-23 actions set out in the Annual Governance Statement.

Proposed by Councillor Philip Martin  
Seconded by Councillor Rebecca Shoob and

**Resolved:**

- 1. To receive and note report AuG/22/20.**
- 2. To note the progress towards achieving the actions in the Annual Governance Statement (Appendix 1).**

(Voting: For 6; Against 0; Abstentions 0)

65. **Governance Update**

This report summarised the key elements of the governance issues identified during 2022 within the Council and those actions agreed to improve the control environment. The report focused on those matters that relate to the remit of the Audit & Governance Committee, whilst there were associated personnel matters these will be considered by the Personnel Committee where relevant.

Members were asked to pay particular attention to the reasons for the recommendations/actions set out in the report and although the findings were not easy reading it was made clear that actions are now in place or in progress.

With regards to legal implications officers must adhere to the process and procedures set out in the constitution and if these are not met then legal challenge could follow. It is the onus of the spending officer to ensure that contract standing orders are adhered to. The OD team will ensure that all training/refresher training is given to officers over the coming year.

Declarations of interest of officers is managed by the Assistant Director - Governance, Law & Service Delivery with copies kept by her, the officer and relevant line-manager. Works are in progress to make the form clearer for officers to complete. The Monitoring Officer agreed to investigate if the declarations of interest should be published on our website.

Proposed by Councillor Philip Martin  
Seconded by Councillor Terence Mullard and

**Resolved:**

- 1. To receive and note Report AuG/22/21.**
- 2. To approve the proposed amendments to the Annual Governance Statement 2021/22 as outlined in section 11 of the report.**

(Voting: For 6; Against 0; Abstentions 0)