

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 13 March 2024
Present	Councillors James Butcher (Vice-Chair), David Godfrey, Adrian Lockwood, Liz McShane (Chair), David Wimble and John Wing
Apologies for Absence	
Officers Present:	Jonathan Hicks (Governance, Performance & Risk Manager), Amandeep Khroud (Assistant Director), Sue Lewis (Committee Services Officer), Daniella Loxton (Capital & Treasury Senior Specialist), Lydia Morrison (Interim S151 Officer), Ola Owolabi (Chief Financial Services Officer), Mrs Christine Parker (Head of Audit Partnership), Susan Priest (Chief Executive), Jonathan Smith (Chief Accountant), Sophia.Y.Brown@uk.gt.com and Adrian Tofts (Strategy, Policy & Performance Lead Specialist)
Others Present:	Andy Vanburen, Independent Member

28. **Declarations of Interest**

Councillors Butcher, Lockwood and Wing declared that they are all directors on the Board of Oportunitas. They remained in the meeting.

29. **Minutes**

The minutes of the meeting held on 6 December 2023 were submitted, approved and signed by the Chair.

30. **Quarterly Code of Conduct Complaints Update Report**

This report provided an update to the Committee on Member Code of Conduct complaints received during quarter 3 of 23/24 (1 October to 31 December 2023).

Proposed by Councillor David Wimble

Seconded by Councillor John Wing and

Resolved: To receive and note report AuG/23/22.

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

31. **Annual Report - Maintaining Ethical Standards**

This 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.

Proposed by Councillor Adrian Lockwood
Seconded by Councillor David Wimble and

Resolved: To receive and note report AUG/23/23.

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

32. **Local Code of Corporate Governance**

This report recommends the approval of a local code of corporate governance for 2024/25.

Councillor Butcher made a couple of observations, firstly referring to the engagement re the Committee System and those from the community who attended said they did not feel we had reached out far enough and this therefore could do with refreshing and looking at the council's ways of engagement going forward.

Secondly, he said that when the committee received the community safety initiatives it is not easy to see if the council is making a difference to the outcomes and it was a challenge to track how our initiatives and activities make a difference on these outcomes identified.

Proposed by Councillor James Butcher
Seconded by Councillor John Wing and

Resolved:

1. To receive and note report AuG/23/21.

2. To adopt the local code of corporate governance appended.

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

33. **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 31st December 2023.

The Head of East Kent Audit informed that 4 audits had been completed with the Executive Summary for each within the report. Members asked several questions relating to the following:

Housing Anti-social behaviour is 5 high priority recommendations above usual – these cannot be easily compared to other similar audits, but officers have suggested improvement actions to address the risks identified within the report.

The outstanding agreed actions in respect of Counter Fraud have been delayed due to staff changes, the work has now transferred to the Policy team.

Corporate Governance Board – this is a board of officers who meet monthly to discuss governance issues across the council. Although it is a new board and in its early stages officers already feel it is very effective so far, enabling a range of topics such as budgeting, and risk management issues to be discussed.

There are three deferred items on the plan progress table (the next agenda item shows them being rolled over to next year) a plan is set out annually in March and it is expected for there to be adjustments along the way with some urgent response work requests and some reviews taking longer than predicted to finalise.

Proposed by Councillor John Wing
Seconded by Councillor James Butcher and

Resolved:

- 1. To receive and note Report AuG/23/26.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

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

34. **Draft Internal Audit Plan 2024/25**

This report sets out the draft plan of work for the forthcoming 12 months for approval.

Members paid particular interest to the top five identified risks as set out in the report with Cyber Security still being the top risk noting no significant change at

this time. Audit officers have consulted Heads of Service, the s.151 Officer and CLT to propose the draft plan presented for members approval.

Proposed by Councillor David Wimble
Seconded by Councillor Adrian Lockwood and

Resolved:

- 1. To receive and note Report AuG/23/25.**
- 2. That Members approve (but not direct) the Council's Internal Audit Plan for 2024-25.**

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

35. 22/23 Audit Findings Report

The report summarised progress, findings and adjustments for the 2022-23 financial statements audit to date.

The committee noted the audit is substantially complete with a few outstanding matters. Although slightly behind at this stage the review process has begun and will be complete by the end of March 2024, this review will include any new additions or changes to be made and will be reported to committee at the special meeting in April.

Officers informed that any issues that have arisen this time in respect of creditors/debtors have now been resolved and should not cause concern next time.

Proposed by Councillor John Wing
Seconded by Councillor Adrian Lockwood and

Resolved:

- 1. To note Grant Thornton's final 2022/23 Audit Findings report (ISA 260) on the 2022/23 Statement of Accounts.**
- 2. To note 2022/23 Annual Report on Value for Money.**
- 3. To note the formal External Auditor (GT) Letter of Representation that will be signed by the Chairman of the Audit & Governance Committee and the Interim Director Governance and Finance Services (S151 Officer) as required by the external auditor at the conclusion of the audit.**

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

36. 22/23 Auditor's Annual Report

The report summarised the value for money work carried out for 2022-23 over the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

Grant Thornton informed that this report picks up from March report last year and shows an improvement in direction of travel, no risk to 2022/23. It provides 7 improvement recommendations, which members noted following a number of questions.

The Chief Financial Services Officer informed that the council has improved the way of reporting, improved budget setting significantly and moved forward since 2022/23 and is on track for 2024.

Proposed by Councillor James Butcher
Seconded by Councillor David Godfrey and

Resolved: To note and receive the Annual Auditor's Report Aug/23/29 presented by Grant Thornton and the recommendations for improvements.

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

37. **Annual Report to the Audit and Governance Committee**

This report summarises the achievements of the Audit and Governance Committee against the terms of reference for the period 1 April 2023 to 31 March 2024 and details the impact that it has made on the overall system of internal control in operation.

Proposed by Councillor David Wimble
Seconded by Councillor John Wing and

Resolved: To receive and note Report AuG/23/24.

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

38. **Update to Corporate Risk Register**

This report provided an update to the Corporate Risk Register, last considered by the Audit and Governance Committee on 6 December 2023.

Members welcomed the new format presented to committee. They paid particular attention to the scoring of Princes Parade and the Levelling up fund and acknowledged that cyber risk is at the highest risk level and will remain so for some time.

Moving forward the committee asked that the Change of Governance is monitored and asked that this is a standing item on all agendas going forward. Officers agreed that a verbal update would be given.

Proposed by Councillor David Godfrey
Seconded by Councillor David Wimble and

Resolved:

- 1. To receive and note report AuG/23/27.**
- 2. That Audit and Governance Committee reviews:**
 - a. The draft corporate risk register overview (Appendix 1).**
 - b. The corporate risk register (Appendix 2).**
 - c. The risk matrix (Appendix 3).****and makes any necessary recommendations regarding the district council's management of risk.**
- 3. That Audit and Governance Committee notes the work that will be undertaken to review the Council's risk management procedures, led by the new Governance, Performance & Risk Management Team created as part of the recent restructure (see section 3).**

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