

Audit and Governance Committee

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| Held at: | Remote Meeting |
| Date | Thursday, 4 March 2021 |
| Present | Councillors Mrs Ann Berry (Vice-Chair), Laura Davison, Philip Martin (Chairman), Terence Mullard and Rebecca Shoob |
| Apologies for Absence | None |
| Officers Present: | Andy Blaszkowicz (Director of Housing and Operations), Kate Clark (Case Officer - Committee Services), Gavin Edwards (Performance and Improvement Specialist), John Holman (Assistant Director of Housing), Amandeep Khroud (Assistant Director), Derrick Miller (Corporate Health & Safety Officer), Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit) and Charlotte Spendley (Director of Corporate Services) and Geoff Mills (Committee Services) |
| Others Present: | Andy Vanburen (A & G Independent Member) and Paul Dossett (Grant Thornton) |

60. **Declarations of Interest**

There were no declarations of interest.

61. **Minutes**

The Minutes of the meetings held on 24 November and 3 December 2020 were submitted and approved. The Chairman's signature would be added to these minutes showing approval

62. **Corporate Health and Safety Report**

Report AuG/20/17 summarised the District Council's health and safety performance to the end of the annual year 2020 and outlined its intentions for 2021 and beyond.

The Health and Safety Specialist for the Council in presenting this wide-ranging report said, that health and safety was being monitored against an ongoing

action plan devised by the Corporate Health & Safety Officer in agreement with the Director for Housing and Operations and the Operations Lead Specialist. The annual review against the action plan, revealed that significant areas of work had been undertaken in relation to abuse, aggression and violence procedures; fire safety procedures and direct labour organisation related safety.

The Director of Housing and Operations said, the report demonstrated that the District Council had a strong commitment to the health and safety of its workforce, and to others who may be affected by its activities. Members could therefore, have confidence in the hard work being undertaken across all the activities of the council to ensure risks were being reduced and the culture of health and safety was being enhanced.

In answer to questions from a member, it was said that although supplies of PPE had been difficult at the beginning of the pandemic, the Council now had sufficient stock. With regard to a question about having more regular reports to the Committee, the Director of Housing and Operations said he would discuss with the CLT how best that may be achieved.

Proposed by Councillor Laura Davison.
Seconded by Councillor Terence Mullard; and

RESOLVED:

That Report AuG/20/17 be received, and its content noted.

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

63. Annual report - maintaining Ethical Standards

Report AuG/20/13 was introduced by the Assistant Director, Governance and Law, who said the Codes which Council was required to have in place under the Local Government Act 2000, supported the Council's ethical standards and governance framework. They set out the standards of behaviour that the Council expected of its Councillors and staff and how they related to one another.

The key issues which the report identified were:

- No dispensations had been granted by the Audit and Governance Committee to District Councillors during 2020/21.
- Training on the Code of Conduct was included in the District Councillor's Member Induction Programme after the May 2019 elections.
- All elected Members of the Council and all Town and Parish Councils had completed and submitted their Register of Interest forms.
- During the financial year 20/21, 17 complaints were received relating to district and parish Councillors, compared with 16 in 19/20 and 20 in 18/19.

- Two investigations had been concluded in 20/21.
- On 24 November 2020, Mr Andrew Vanburen was appointed as the Independent Member of the Audit & Governance. He would fulfil a very useful function with regard to the ethical framework.

In answer to a question from a Member, the Assistant Director, Governance and Law said as this report was more in the way of an overview of the Council's ethical governance, the details of the complaints and dispensations which it referred to were, as necessary, reported to Members in specific reports that came before the Committee.

Proposed by Councillor Mrs Ann Berry
Seconded by Councillor Terence Mullard; and

RESOLVED:

That Report AuG/20/13 be received, and its content noted.

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

64. Local Code of Corporate Governance

Report AuG/20/18 was introduced by the Assistant Director, Governance and Law who said the Council needed to consider and adopt annually, a Local Code of Corporate Governance. The code is based on advice provided by the Chartered Institute for Public Finance and Accountancy and the Society of Local Authority Chief Executives as set out in their guidance document "*Delivering Good Governance in Local Government: Framework*".

The Code, a copy of which was appended to the report, was based on seven core principles as follows:

- A. Strong commitment to integrity, ethical values, and the rule of law.
- B. Openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of intended outcomes.
- E. Developing the capacity of the entity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.

G. Implementing good practices in transparency and reporting to deliver effective accountability.

The Assistant Director said under each principle was a list of actions that the Council takes to support the relevant principle, and these were actions which it was already taking.

In answer to a question from a Member, the Assistant Director, Governance and Law said prior to coming to this Committee, the core values, as set out in the appendix, had been part of the Council's values for some time and had previously been considered and agreed by the Corporate Leadership Team and the Cabinet.

In answer to a question on Member training, the Assistant Director said this was provided following council elections for both new and returning members. If a Member felt they needed specific training on any particular area of their responsibilities, then that can be discussed with them individually and appropriate courses recommended accordingly.

In answer to a question from a Member regarding the number of Personal Development Plans that were in place, the Assistant Director, Governance and Law said she did not have that information to hand and would speak to the Member outside of the meeting.

Proposed by Councillor Terence Mullard
Seconded by Councillor Mrs Ann Berry; and

RESOLVED:

That Report AuG/20/18 be received, and the Local Code of Corporate Governance 2021, as set out in the appendix be adopted.

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

65. Annual governance statement Actions - update on 20/21 actions

Report AuG/20/20 was introduced by the Performance and Improvement Specialist who said it presented to Members the current position on progress towards achieving the 2020/21 actions, as set out in the Annual Governance Statement.

The Annual Governance Statement for 2019/20 had identified a number of significant governance issues that were likely to arise during this year and therefore the Annual Governance Statement for 2020/21 presented an update on progress and action plan for improvement.

In answer to a question from a Member, the Performance and Improvement Specialist said he would provide a written response regarding the review of the Folkestone and Hythe Delivery Board.

Proposed Councillor Rebecca Shoob
Seconded Councillor Mrs Ann Berry; and

RESOLVED:

That report AuG/20/20 be noted together with the progress towards achieving the actions in the Annual Governance Statement 2021, as set out in Appendix 1 to the report.

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

66. Grant Thornton Update Report

Report AuG/20/19 was introduced by Mr Paul Dossett of Grant Thornton. The report provided an update on recent audit work undertaken, progress in 2020/21 against the audit key deliverables and a brief technical update. The report also included a summary on national emerging issues and developments, relevant to the work of Committee and the Council. The report also included details of the new National Audit Office Code of Audit Practice for 2020-21 and revised auditing standards.

In answer to a question from a Member, Mr Dossett said the outcome of the objection to the 2018/19 accounts should be known within the next couple of weeks.

Proposed Councillor Mrs Ann Berry
Seconded Councillor Terence Mullard; and

RESOLVED:

That Report AuG/20/19 be noted together with the progress being made against the key actions undertaken by Grant Thornton.

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

67. Annual report of the Audit and Governance Committee

Report AuG/20/14 was presented by the Assistant Director, Governance and Law.

The Assistant Director said this report summarised the achievements of the Audit and Governance Committee against its terms of reference for the period 1 April 2020 to 31 March 2021 and detailed the impact that it had made on the overall system of internal control in operation. The Audit and Governance Committee sought to ensure it had effective communication with the authority, which included the Executive, the Council's statutory officers, the Head of Internal Audit, the external auditor, and other stakeholders, that was mainly achieved through the work of the Committee but was further enhanced by the submission of this annual report to the Council's annual meeting.

In answer to a question from a Member, the Assistant Director said there had been 17 code of complaints, one of which was still ongoing, and she would provide further information on those outside of the meeting.

In response to further questions from Members, the Assistant Director said she was required to report all breaches of the Code of Conduct to Members, and that she would be happy to submit a quarterly report which provided a general overview of the number of complaints that had been upheld or not, together with the number that were currently under investigation. This was agreed.

Proposed Councillor Terence Mullard
Seconded Councillor Mrs Ann Berry; and

RESOLVED:

That Report AuG/20/14 be received, and noted and that the Assistant Director, Governance and Law submit a quarterly report to Members which provided a general overview of the number of complaints under the Councillors Code of Conduct that been received and whether they had been upheld or not, together with the number that were currently under investigation.

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

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

Report AuG/20/15 included the summary of 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 31 December 2020.

The Deputy Head of Audit presented this report drawing members attention to the following:

- The summary of findings following the Council taking back responsibility for the management of its housing stock and residents from 1 October 2020.
- The report of the East Kent Audit Partnership on the current effectiveness of the Housing Landlord Compliance Service.
- None of the business grants paid out by the Council had been made to known fraudulent bank accounts as notified by the National Anti-Fraud Network.
- Land Charges – the assurance level had been revised and was now substantial/reasonable.
- Tenancy and Right to Buy Fraud – the assurance level was limited with the pilot counter fraud scheme being undertaken with Ashford Borough Council having been delayed due to Covid19.

- Waste Management – the level of assurance was now reasonable/limited.
- Progress against the 2020/21 Audit Plan was 88%.

Following on from this Members raised the following topics:

- Management of Housing Stock - The Director of Housing said the Council should be proud of the hard work and progress made since responsibility for the housing stock and tenants had been taken back under Council control. Housing stock action plans were in place and progress was being made to achieve targets. The Director said, he had met with the Regulator, who had confirmed the Council was doing everything that it should be doing.
- Homelessness Audit – The Deputy Head of Audit said the Team were currently handling a considerable amount of work, but this audit would be commenced as soon as possible. Updates on progress against the 2020/21 Audit Plan would be submitted to a future meeting.
- Covid 19 – Business Grants – Further to the data match assurance work undertaken the Deputy Head of Audit said it is possible that some more work regarding these grants may be proposed and there would be an update to a future meeting.

Proposed Councillor Laura Davison
Seconded Councillor Rebecca Shoob; and

RESOLVED:

- 1. That Report AuG/20/15 be received and noted; and**
- 2. The results of the work carried out by the East Kent Audit Partnership be noted.**

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

69. Draft Internal Audit Plan 2021-22

Report AuG/20/16 was presented by the Head of Audit Partnership who said its purpose was to present to Members the draft Internal Audit Plan for 2021/22, and help the Committee assess whether the East Kent Audit Partnership had the necessary resources and access to information to enable it to fulfil its mandate and was equipped to perform in accordance with the professional standards for Internal Auditors.

The Head of the East Kent Audit Partnership said in her professional opinion, the draft 2021/22 internal plan presented for Members consideration would allow for an opinion to be given on the Council's key risk areas and systems. That should be sufficient coverage to inform the Annual Governance Statement.

In answer to a question from a Member, the Head of EKAP said it would not be possible to bring forward the planned timetable for undertaking all the reviews identified within the housing service. However, she assured Members that any high-profile matters would be brought into the Plan and dealt with as appropriate. Having said, that the Head of EKAP said she would look at whether the planned review of Housing Allocations could be brought forward from its current planned timetable of 2024/25.

In answer to a question from a Member, the Head of EKAP said that generally they did not undertake audit reviews of Council working groups.

Proposed Councillor Mrs Ann Berry
Seconded Councillor Terence Mullard, and

RESOLVED:

- 1. That Report AuG/20/16 be received and noted; and**
- 2. The Audit and Governance Committee approve (but not direct) the Council's Internal Audit Plan for 2021/22.**

Voting: For 5; Against 0; Abstentions 0)