

GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting held on 15 March 2016 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor John Buckley (Chairman); Councillors Ashbee, Campbell, Connor, Dexter, I Gregory, Jaye-Jones and Taylor-Smith

In Attendance: Councillors Crow-Brown and Townend

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Day, for whom Councillor Partington was a substitute; apologies were also received from Councillors Dixon, Edwards and Game.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Councillor Campbell proposed, Councillor Taylor-Smith seconded and Members agreed the minutes of the meeting held on 9 December 2015.

4. EXTERNAL AUDIT 2015/16 AUDIT PLAN

Daren Wells, Engagement Lead, Grant Thornton introduced the audit plan, advising that the plan provided an overview of the planned scope and time scales for the year ending 31 March 2016 audit.

In response to comments and questions it was noted that:

- Tim Willis, Director of Corporate Resources, would provide Cllr Dexter with a list of Council assets in relation to the Dreamland site.
- The comment on page 15 of the plan that referred to the Dreamland operators having gone into administration was inaccurate; Mr Wells would amend the plan.

Members noted the plan.

5. EXTERNAL AUDIT GRANT CERTIFICATION LETTER 2014/15

Daren Wells introduced the grant certification letter and highlighted the additional fee as a result of the need to conduct additional work.

Members noted the grant certification letter.

6. EMPTY PROPERTY REFURBISHMENT

Bob Porter, Interim Head of Housing, introduced the report which set out the circumstances that led to the external audit of the Council's empty homes programme. Mr Porter noted that the audit recommendations had been actioned and that these improvements had been recognised by the Homes and Communities Agency (HCA) who confirmed that their moratorium on future funding had been lifted.

In response to comments and question it was noted:

- The date shown at paragraph 1.2 of the report should be 31 March 2015.
- The brief for the audit requested by the HCA did not require investigation into the reasons behind the missed completion deadline.
- A number of control measures had been introduced and improvements made to project management.

Members noted the report.

7. INTERNAL AUDIT 2016-17 AUDIT PLAN AND AUDIT CHARTER

Christine Parker, Head of East Kent Audit Partnership, introduced the report which provided Members with a summary of the aims and strategy for the internal audit service and the draft plan of work for the forthcoming 12 months.

In response to comments and questions it was noted that:

- Traditionally the charter was bought before Members every year, however this year Members were asked to approve the audit charter for next 3 years.

Councillor Campbell proposed, Councillor Dexter seconded and Members agreed:

- '1. To approve the Council's Charter for a period of 3 years from 2016-17, subject to the Charter returning to Governance and Audit Committee if any significant changes were proposed.
2. To approve the Council's Internal Audit Plan for 2016/17.'

8. INTERNAL AUDIT QUARTERLY UPDATE

Simon Webb, Deputy Head of the East Kent Audit Partnership introduced the report noting that there had been 16 internal audit assignments completed during quarter, of which four achieved substantial assurance, three achieved reasonable assurance and seven were concluded with limited assurance. In addition, there had been two assignments for which assurance opinion was not required, and seven follow-up reviews.

In response to comments and questions it was noted that:

- Mr Webb would advise Cllr Jaye-Jones of the amount and number of uncollected debts mentioned in paragraph 2.10.2 of annex 1 of the report.
- Gavin Waite, Director of Operational Services described the provision and practices that had been put in place in response to the limited assurance rating given to Employee Health and Safety.
- All comments and complaints must be catalogued as they should be used to shape the service.
- Staff would have completed training by the 31 March 2016 to help address the limited assurance rating given to Safeguarding Children and Vulnerable Groups.
- Mr Waite would investigate whether the fines levied for littering matched those detailed in the recently agreed fees and charges policy, he offered to advise Councillor Taylor-Smith of his findings outside of the meeting.
- A review of the district's Museums was underway, led by the Director of Community Services.
- The number of satisfaction questionnaires received from managers continued to be a low proportion of the number of audits carried out.

It was proposed by Councillor Campbell, seconded by Councillor Jaye-Jones and Members agreed the recommendations at paragraphs 6.1 and 6.2 of the report, namely:

- '6.1 That the report be received by Members.

6.2 That any changes to the agreed 2015-16 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the report be approved.'

9. REVIEW OF EFFECTIVENESS OF THE COUNCIL'S INTERNAL AUDIT ARRANGEMENT 2015/16

Tim Willis introduced the item and advised that he bought the report before Members annually as part of his Section 151 officer duties. Mr Willis advised that the recommendation at paragraph 7.1 of the report should be amended to refer to the 2015/16 year.

It was proposed by Councillor Jaye-Jones, seconded by Councillor Campbell and Members agreed:

'That Governance and Audit Committee accept the findings of the review of the effectiveness of the Council's Internal Audit arrangements for 2015/16.'

10. ANNUAL GOVERNANCE STATEMENT ACTION PLAN QUARTERLY UPDATE

Tim Howes, Director of Corporate Governance, introduced the report and highlighted updates since the last Governance and Audit Committee meeting.

In response to comments and questions it was noted that:

- The quarterly update only looked at items currently in the governance statement.
- A plan for further Member training and development was being drafted.

Members noted the report.

11. GOVERNANCE FRAMEWORK AND LOCAL CODE OF CORPORATE GOVERNANCE UPDATE

Tim Howes introduced the report and advised that the changes had been tracked in the documents to assist identification of where updates had been made. These changes reflected the latest Nolan principles.

It was proposed by Councillor Campbell, seconded by Councillor Jaye-Jones and Members agreed the recommendation as set out in paragraph 5.1 of the report, namely:

'That Members approve the reviewed Governance Framework and Local Code of Corporate Governance'

12. CORPORATE RISK REGISTER QUARTERLY UPDATE

Tim Willis introduced the report and noted that the risk register was framed by the new corporate priorities. Mr Willis added that Central Management Team officers had been allocated responsibility for each of the risks identified.

In response to comments and questions it was noted that:

- The term 'Political Stewardship' referred to the potential risk of having a fairly politically inexperienced body of Members elected in May 2015.
- The reduction of the project management score from 12 to 9 was a reflection of the improvements that had been made in establishing a project management framework and toolkit, this led to a decrease in risk.

- The Council conducted leaver interviews however no trends were apparent from the feedback, movement was often to achieve career progression, and was both into and out of the Council.
- The risk framework dictated the frequency of corporate risk register reporting to the Governance and Audit Committee.
- Mr Willis offered to provide Cllr Ashbee with details of which CMT officer was responsible for which risk after the meeting.

Members noted the report.

Meeting concluded: 8.40pm