

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting held on 28 June 2017 at 7.00 pm in Council Chamber, Cecil Street, Margate, Kent.

**Present:** Councillor John Buckley (Chairman); Councillors Hayton, Braidwood, Campbell, Connor, Dexter, Dixon, Game, I Gregory, Larkins, L Piper, Taylor-Smith and Partington.

### 1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Day, for whom Councillor Partington was present.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF PREVIOUS MEETING

Councillor Gregory proposed, Councillor Game seconded and Members agreed the minutes of the meeting held on 8 March 2017.

### 4. EXTERNAL AUDIT 2016/17 AUDIT PLAN

Darren Wells, Grant Thornton UK LLP introduced the audit plan, advising that the Plan provided an overview of the planned scope and time scales for the year ending 31 March 2017 audit.

During consideration of the item it was noted that:

- The Council would consider income generation opportunities from renewable energy generation, for example solar panel installations on top of multi-storey car parks.
- Within the 'Understanding your business and key developments' heading, the reference to Manston Airport should be amended to Stone Hill Park.

Members noted the report.

### 5. ANNUAL INTERNAL AUDIT REPORT

Christine Parker, Head of the East Kent Audit Partnership (EKAP) introduced the report which provided Members with a summary of the impact of the work of the East Kent Audit Partnership (EKAP) for the year up to 31 March 2017.

Councillor Crow-Brown spoke under council procedure rule 20.1.

During consideration of the item, it was noted that:

- EKAP worked with managers to ensure actions resulting from audits were stretching but achievable.
- In some cases, staff turn-over had contributed to the failure to implement audit recommendations. This had been addressed by:

- The allocation of a director as responsible for each audit that achieved limited or no assurance.
- The regular monitoring of progress to implement incomplete audit recommendations at senior management meetings.
- The successful employment of permanent staff in roles that had previously had interim or temporary staff in position.
- Since the follow up audit of complaints monitoring, new processes had been implemented that addressed the audit recommendations.
- Trevor Kennett, Head of Operational Services, advised that, open spaces had been impacted by staff turn-over, however there was now a permanent open spaces manager in position who would address the recommendations still incomplete at audit follow up.
- Penny Button, Head of Safer Neighbourhoods advised that all incomplete actions highlighted in the Safeguarding follow up audit had been implemented.

Members noted the report.

## **6. QUARTERLY INTERNAL AUDIT UPDATE REPORT**

Simon Webb, Deputy Head of the EKAP, introduced the report noting that there had been seven internal audit assignments completed during the period; five achieved substantial assurance and two achieved a limited assurance. There had also been nine follow up reviews completed.

During consideration of the item it was noted that:

- Improvements made regarding project management were expected to result in an increased assurance rating when a second follow up review took place later in the year.
- Trevor Kennett addressed Member's concerns that street cleansing remained at limited assurance after follow up review. Mr Kennet advised that:
  - The department accepted all the recommendations made by the EKAP and were working towards their implementation.
  - The Council worked to the DEFRA code, however it was intended that after consideration by the corporate management team, Cabinet would be officially asked to agree to the codes service standards.
  - The permanent staff now in post had a clear understanding of what was required to meet the audit recommendations and the management responses detailed in annex 1 were to be reviewed.
- The Local Code of Corporate Governance was available on the website, and a review of website functionality was underway to make the website easier to use.
- Museums remained at limited assurance after follow up as cataloguing of museum items had not been completed. Rob Kenyon, Director of Community services had been in discussion with the museums and volunteers about what assistance could be offered.

Members noted the report.

## **7. CORPORATE RISK REGISTER - ANNUAL REVIEW**

Tim Willis, Director of Corporate Resources and Section 151 Officer, introduced the report which provided an annual review of corporate risks and included a quarterly update of progress since the last meeting.

During consideration of the item it was noted that:

- The names shown at paragraph 3.1 of the report within the table could be displayed in a more formal format.
- Based on currently available information, the Council was assured that all relevant health and safety standards had been met regarding fire safety at the six tower blocks in the district.

Members noted the report.

#### **8. DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17**

Tim Howes, Director of Corporate Governance and Monitoring Officer introduced the report which presented the draft Annual Governance Statement 2016/17 for consideration by the Committee.

During consideration of the item it was noted that:

- No significant issues had been identified.
- If agreed by the Committee, the draft statement would be passed to the external auditors for comment, and then return to the Committee for final sign off.

It was proposed by Councillor Campbell, seconded by Councillor Larkins and Members agreed to accept the draft Annual Governance Statement 2016/17.

#### **9. ANNUAL GOVERNANCE STATEMENT ACTION PLAN QUARTERLY UPDATE**

Tim Howes, introduced the report and advised that all the tasks would soon either be ongoing, such as training, or completed.

During consideration of the item it was noted that:

- E-learning participation was monitored electronically and reported to corporate management team meetings.

Members noted the report.

#### **10. ANNUAL TREASURY MANAGEMENT REVIEW 2016/17**

Tim Willis introduced the report that provided a summary of the treasury management activity and prudential/treasury indicators for 2015/16.

It was proposed by Councillor Larkins, seconded by Councillor Taylor-Smith and Members agreed:

'That the Governance and Audit Committee:

- Notes the actual 2016/17 prudential and treasury indicators in this report.
- Approves the annual treasury management report for 2016/17.
- Recommends this report to Cabinet.'

#### **11. DRAFT AUDIT COMMITTEE ASSURANCE STATEMENT**

Tim Willis introduced the report which included a draft response to questions posed by the external auditors, Grant Thornton UK LLP.

It was proposed by Councillor Campbell, seconded by Councillor Game and Members agreed:

'That the committee notes and endorses the responses to the letter from the external auditor.'

Meeting concluded: 8.35 pm