

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting held on 6 December 2017 at 7.00 pm in Council Chamber, Cecil Street, Margate, Kent.

**Present:** Councillor John Buckley (Chairman); Councillors Day, Edwards, Larkins, Partington, L Piper and Venables

**In Attendance:** Crow-Brown and S Piper

### 1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Braidwood, Connor, Dixon, Game, Gregory and Taylor-Smith for whom Councillor Partington was present as a substitute.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF PREVIOUS MEETING

Councillor Day proposed, Councillor Piper seconded and Members agreed the minutes of the meeting held on 27 September 2017.

### 4. ANNUAL AUDIT LETTER 2016-17

Mr Wells, Grant Thornton UK LLP (GT), introduced the Annual Audit Letter 2016-17 which provided a brief summary of findings from the work carried out for the year ending 31 March 2017.

During consideration of the item it was noted that:

- GT had offered unqualified opinions for both the accounts and value for money.
- Once the investigation into an objection had been completed, GT would be in a position to certify the accounts.

Members noted the report.

### 5. INTERNAL AUDIT QUARTERLY UPDATE REPORT

Mr Webb, Deputy Head of the East Kent Audit Partnership (EKAP), introduced the report noting that there had been eight internal audit assignments completed since the last committee meeting; four achieved substantial assurance and four achieved reasonable assurance. In addition, four follow up reviews had been completed, one of which continued to have a limited assurance. EKAP's performance was shown in annex 4 of the report.

Mr Waite, Director of Operational Services provided members with an update regarding grounds maintenance which had retained a limited assurance after follow-up. Mr Waite advised that the high turnover of managers within the department had been a significant contributing factor in the number of audit recommendations not implemented. Now that a permanent Open Spaces Manager had been recruited all recommendations were being prioritised.

During consideration of the item, it was noted that:

- The grass cutting schedule for 2018 would be available on the Council's website before the start of the cutting season.
- The audit of insurance and inventories of portable assets was shown as postponed in appendix 3 of the report, however this audit had now taken place.

Councillor Partington proposed, Councillor Day seconded and Members agreed the options at paragraphs 3.1 and 3.2 of the report, namely:

‘3.1 That Members consider and note the internal audit update report.

3.2 That the changes to the agreed 2017-18 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the attached report be approved.’

**6. TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2018-19**

Mr Willis, Director of Corporate Resources, introduced the report which was required by the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on treasury management.

Councillor Edwards proposed, Councillor Day seconded and Members agreed the recommendation as shown in the report, namely:

‘That the Governance and Audit Committee approves this report and annexes and recommends that it is approved by Cabinet and Council’

**7. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY - MID YEAR REVIEW REPORT 2017-18**

Mr Willis introduced the report which summarised the treasury management activity and prudential/treasury indicators for the first half of the 2017/18.

Councillor Edwards proposed, Councillor Partington seconded and Members agreed the recommendation as shown in the report, namely:

‘That the Governance and Audit Committee:

- Approves this report and the prudential and treasury indicators that are shown.
- Recommends this report to Cabinet.’

**8. CORPORATE RISK REGISTER QUARTERLY UPDATE**

Mr Willis introduced the report and highlighted where updates had been made. The risk score for harbour flap gates had increased from 9 to 12 and that the risk score for safeguarding vulnerable people had decreased from 8 to 6.

During consideration of the item it was noted that:

- The risk score for the harbour flap gates would be expected to reduce once refurbishment had been completed.
- The report contained abbreviated descriptions for the highest scoring risks. There were detailed mitigation plans that sat behind these corporate risks as part of the Council's risk management strategy.

Members noted the report.

9. **AUDIT OF 2016-17 FINAL ACCOUNTS**

Mr Willis introduced the item which provided an update of events related to the external audit of the final accounts following the last meeting of the committee. It was noted that the accounts had been agreed by GT, and that they had remained unchanged from those considered by the Committee in September.

Members noted the report.

Meeting concluded : 7.30 pm