

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting held on 7 December 2016 at 7.00 pm in Council Chamber, Cecil Street, Margate, Kent.

**Present:** Councillor John Buckley (Chairman); Councillors Braidwood, Campbell, Connor, Day, Dexter, Edwards, I Gregory, Hayton, Piper and Taylor-Smith.

**In Attendance:** Councillor Townend

### 1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Dixon, Game and Jaye-Jones.

### 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 20 September 2016.

### 4. INTERNAL AUDIT QUARTERLY UPDATE REPORT

Simon Webb, Deputy Head of the East Kent Audit Partnership (EKAP), introduced the report noting that there had been seven internal audit assignments completed since the last committee meeting; three achieved substantial assurance, one achieved a split assurance of substantial/reasonable, two achieved reasonable assurance, and one achieved a limited assurance. Six follow up reviews were also completed during the quarter.

Christine Parker, Head of EKAP, advised that all the EKAP's performance indicators remained on target to be met, and that EKAP were on target to complete delivery of the plan by the end of the 2016/17 year.

During consideration of the item, it was noted that:

- The Overview and Scrutiny Panel could investigate why the Council had not already installed energy saving LED lighting in Mill Lane and Leopold Street car parks, and to enquire whether potential savings could be made elsewhere at the Council.
- Members requested that the relevant Director and Officers responsible for Safeguarding Children and Vulnerable Groups, attend the next Governance and Audit meeting. Members wished to know what improvements had been made since the EKAP's follow up review which remained at limited assurance.
- Tim Howes, Director of Corporate Governance advised that he would investigate whether Members should be DBS checked.
- The project management audit was no longer deferred to the 2017/18 year; instead it would be briefed shortly and ascertained if it could be conducted in January or February 2017.
- The term 'outstanding' should be replaced with the wording 'not completed' to remove any potential for confusion in its meaning.
- Any recommendations still not completed after the EKAP conduct their follow-up review were considered by the Corporate Management Team for senior

management investigation and action. Services that remained a concern could be brought forward in the audit cycle for an early re-audit as part of the Councils management of risk.

- Regarding Public Health Burials, it was reported that the Council would cremate unless there was a written instruction to bury as this method was cheaper. Compared with previous years, the number of burials in Thanet had reduced significantly so far in the 2016/17, and was now comparable to the other East Kent Councils.
- Members wished to invite the Director of Operational Services to the next Governance and Audit meeting to advise Members of what action had been taken to improve in response to the EKAP's findings of limited assurance issued to Street Cleaning, Ground Maintenance and Playgrounds.
- In response to the EKAP's findings, the East Kent Engineering Partnership had been commissioned to undertake a survey of the Viking ship at the Viking play area in Cliftonville.

Councillor Campbell proposed, Councillor Taylor-Smith seconded and Members agreed options 3.1 and 3.3 as shown in the report, namely:

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

3.3 That Members request an update from the relevant Director/s to the next meeting of the Committee in respect of any areas identified as still having either limited or no assurance after follow-up.'

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

Tim Howes, Director of Corporate Governance, introduced the report which provided an update on the Annual Governance Statement 2015/16 action plan.

During consideration of the item it was noted that:

- Appointment of an Information Governance Manager had taken place, and the officer was due to start in mid-February.
- CIGG stood for Corporate Information Governance Group, and comprised of the senior information risk officers from Thanet, Dover and Canterbury council's.
- Consultation had closed on the 16 new information governance policies, these policies would be in place from January 2017.
- The draft asset management plan would be considered for approval in January 2017.

Members Noted the report.

## **6. APPOINTING EXTERNAL AUDITORS**

Tim Willis, Director of Corporate Resources, introduced the item and explained that Public Sector Audit Appointments Ltd (PSSA) were a Local Government Association sponsored organisation who specialised in the procurement of external auditors for local government bodies.

Councillor Campbell proposed, Councillor Taylor-Smith seconded and Members agreed to accept the PSSA offer and to refer agreement to Council.

## **7. MID YEAR TREASURY REPORT 2016-17**

Tim Willis introduced the report which summarised the treasury management activity and prudential/treasury indicators for the first half of the 2016/17.

During consideration of the item it was noted that:

- The treasury management indicators remained on target.
- In recognition of the complexity of the topic it was commented that;
  - While the report was required to be written according to certain reporting criteria, officers intended to simplify the report next year to make it easier to understand.
  - The provision of training for Members by finance officers or Capita could be considered.
- A breakdown of the investments noted at paragraph 5.2 of the report could be included in future for Members' information.

Councillor Gregory proposed, Councillor Edwards 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. TREASURY MANAGEMENT STRATEGY 2017/18**

Tim Willis introduced the report noting that the treasury management strategy for 2017/18 was very similar to the strategy for 2016/17 in part because the financial and economic outlook remained the same.

Councillor Campbell proposed, Councillor Dexter 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'

#### **9. CORPORATE RISK REGISTER QUARTERLY UPDATE**

Tim Willis introduced the report and highlighted where updates had been made. It was noted that the local plan and homelessness both now featured in the risk register.

Members noted the report.

#### **10. ANNUAL AUDIT LETTER 2015-16**

In the absence of a Grant Thornton UK LLP representative, Tim Willis introduced the Annual Audit Letter 2015-16 for Members' information.

During consideration of the item it was noted that:

- Grant Thornton had offered an unqualified opinion on the accounts, and a favourable opinion on value for money.
- Grant Thornton were unable to certify the accounts until they had resolved their investigation into three objections.

Members noted the report.

Meeting concluded: 8.00 pm