

GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting held on 3 December 2019 at 7.00 pm in Council Chamber,
Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Simon Day (Chairman); Councillors Boyd, Campbell, Crittenden, Dexter, Garner, Kup, Scott and Shrubbs.

In Attendance: Councillor Yates

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Braidwood and Farrance.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Councillor Campbell proposed, Councillor Shrubbs seconded and Members agreed the minutes of the meeting held on 25 September 2019.

4. INTERNAL AUDIT QUARTERLY UPDATE

Mr Webb, Deputy Head of the East Kent Audit Partnership (EKAP), introduced the report noting that there had been four internal audit assignments completed since the last committee meeting and five follow up reviews had also been completed.

During consideration of the item, it was noted that:

- The audit of Planning Applications, Income and s.106 Agreements received Reasonable/Limited assurance, however this had been increased to reasonable assurance after the follow up review.
- The audit of East Kent Housing Health and Safety (Electricity) would be considered at a future committee meeting.

Members agreed to note the report, and agreed that changes to the 2019-20 internal audit plan, resulting from changes in perceived risk, detailed at paragraph 5.0 in Annex 1 of the report be approved.

5. CORPORATE RISK MANAGEMENT QUARTERLY UPDATE

Mr Blundell, Head of Financial Services, introduced the report providing a quarterly update of progress since the last meeting.

During consideration of the item it was noted that:

- The risk scores had remained unchanged since the last committee meeting.
- East Kent Housing (EKH) remained at the maximum risk score of 16. This was despite recent improvements identified by the EKAP in their audits. It was felt that the issues with EKH were complex, and there were risks in connection with bringing the service back under the Council's management.

Members noted the report.

6. **MID YEAR REVIEW 2019-20: TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY**

Mr Blundell introduced the report which summarised the treasury management activity and prudential/treasury indicators for the first half of the 2019/20.

During consideration of the item it was noted that:

- The Council had used internal financing rather than borrowing as this offered better value for money.

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 the prudential and treasury indicators that are shown.
- Approves the proposed changes to the 2019-20 Treasury Management Strategy Statement
- Recommends this report to Council.'

7. **TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT, ANNUAL INVESTMENT STRATEGY, CAPITAL STRATEGY AND NON-TREASURY INVESTMENTS REPORT FOR 2020-21**

Mr Blundell, introduced the report which included the proposed Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement, Annual Investment Strategy, Capital Investment strategy and Non-treasury Investments report for 2020/21.

During consideration of the item it was noted that:

- The Council would continue to under-borrow, this practice used the Council's existing reserves rather than borrowing money. The interest rates offered for the Council's savings were significantly less than the interest rates charged for borrowing so under-borrowing offered value for money.
- It was suggested that multi-asset funds should be included to the list of investment types. They would be low risk, but could provided good returns and would be limited to £5million.
- Normally the decision to invest was an officer decision, following advice from treasure management consultants and discussion with the portfolio holder.

Councillor Campbell proposed, Councillor Garner seconded and Members agreed:

'That the Governance and Audit Committee approves the report and annexes with the addition of multi asset funds to the investment types, and recommends that it is approved by Cabinet and Council'

Meeting concluded: 7.20 pm

