

GOVERNANCE & AUDIT COMMITTEE

Minutes of the meeting held on 23 September 2020 at 5.00 pm in Online Viewing Only.

Present: Councillor Simon Day (Chairman); Councillors Boyd, Crittenden, Currie, Garner, Kup, Pat Moore, Shrubbs and Towning

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Braidwood.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Councillor Shrubbs proposed, Councillor Towning seconded and Members agreed the minutes as a correct record of the meeting held on 22 July 2020.

4. CORPORATE RISK MANAGEMENT - QUARTERLY UPDATE

Chris Blundell, Director of Financial Services, introduced the report and made the following comments:

- The five key corporate risks remained unchanged and continued to have the same risk scores that were reported to the last committee meeting, however the underlying circumstances behind these risks had changed in some cases.
- East Kent Housing, Performance/Transition - The Council's housing stock would be managed in-house from the 1 October. There would be risks in relation to this transition, and new risks as the service became established.
- Limited Resources – £3,000,000 of the Council's reserves would be used to cover a budget shortfall in the 2020-21 financial year. National political uncertainty, Brexit, and the Coronavirus pandemic had all contributed to the challenge of future financial planning.
- Corona virus - the recent national announcements demonstrated the nature of this risk, it required constant review as the picture was constantly changing.

In response to questions from Members it was noted that:

- The high risk score for political stewardship was not solely because the Council was under no overall control.

Mr Howes would be asked to provide Cllr Garner with a breakdown of how the political stewardship score was calculated after the meeting.

- The East Kent Housing (EKH) risk score reflected the risk of transition and the number of unknowns associated with the service. Intensive work had taken place across the partnership to ensure the transition would be as smooth as possible. Following 1 October, the service would pose different types of risk for the Council.
- The EKH board was now made up of the Chief Executives from each of the partnership Councils, it had become their duty to ensure that EKH did not fall into insolvency during the period of transition.

Councillor Crittenden proposed, Councillor Garner seconded and Members approved the review of corporate risks.

5. QUARTERLY INTERNAL AUDIT UPDATE REPORT

Mr Webb, Deputy Head of the East Kent Audit Partnership (EKAP), introduced the report and highlighted the following:

- Three internal audit assignments and two follow up reviews had been completed since the last meeting of the Committee.
- EKHR, Benefits in Kind - The EKHR management response to the audit's no assurance assessment was detailed in the report. Mr Webb expected a reasonable assurance level to be achieved when the audit was followed up, because there were a number of easily implemented recommendations.
- Despite the hiatus at the start of the Covid pandemic, EKAP had made good progress against the agreed 2020-21 plan.
- East Kent Housing, Tenant Health & Safety; Fire Safety – Members noted at a previous meeting that the audit received a limited/no assurance score. Work was underway to address the concerns raised, and there was an intention to bring a report back to the committee when it met in November.

Ms Ironmonger from Grant Thornton UK LLP (GT), advised the Committee of the following points:

- GT were at an early stage of their audit and were working with the Council's finance team. An assessment of the Council's governance practices would form part of GT's value for money conclusion.
- GT planned to provide the Committee with it's opinion on the financial statements, and a value for money conclusion at the November meeting.

Councillor Towing proposed, Councillor Shrubbs seconded and Members agreed the following:

1. That the report be received by Members;
2. That any changes to the agreed 2020-21 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of Annex 1 of the report be approved.

Meeting concluded : Time Not Specified