

## GOVERNANCE & AUDIT COMMITTEE

Minutes of the meeting held on 9 March 2022 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

**Present:** Councillor Kerry Boyd (Chair); Councillors Dexter, Duckworth, Garner, Hopkinson, Kup, Shrubbs and Towning

**In Attendance:** Councillors Ashbee, Leys and R Bayford

### 11. APOLOGIES FOR ABSENCE

Apologies were received from Cllr Pugh.

### 12. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 13. MINUTES OF PREVIOUS MEETING

Cllr Kup proposed, Cllr Towning seconded and members AGREED to approve the minutes of the meeting held on 01 December 2021.

### 14. QUARTERLY INTERNAL AUDIT UPDATE REPORT

Simon Webb from East Kent Audit Partnership introduced the report, making the following key points:

- This had been a busy quarter, with 10 reviews taking place.
- Substantial assurance had been reported in 2 significant areas, council tax and the payment of housing benefits.
- Reasonable assurance was concluded for playgrounds and creditors.
- Limited assurance was given in two areas, equality & diversity and right to buy.
- There was no assurance concluded in the area of street cleansing.
- 3 further reviews were undertaken where an assurance opinion wasn't applicable. These were:
  - GDPR and the impact of home working on it.
  - A position statement on the Council's controls to tackle climate change.
  - Quarterly housing benefit testing 21/22 Q1&2.
  - There were also four follow ups undertaken in this report.
  - Progress against the Internal audit plan shows that it was behind schedule at 31 Dec 2021, but had moved ahead of the target at 28 Feb 2022.
  - The limited areas which are yet to be followed up would be shared with the committee in the coming meetings.

Members raised questions and the following points were made:

- All playgrounds in the district are subject to regular inspections by qualified council staff and also an external inspection annually. In general the reports from these inspections are available, but are not routinely published.
- There was one exception, which was that the report on the Ethelbert crescent Viking ship playground in Cliftonville had been made available on the TDC website.
- Information on expired certificates would be given in writing to the Chair.
- Staff qualified to undertake inspections had been given the training to do so by TDC, while in post.
- Historically some playgrounds have been transferred to parish or town councils, but there were none planned to be at this time.

- It was commented that the street cleansing audit didn't reflect the hard work undertaken across broader areas of service delivery, but focussed primarily on mechanical sweepers.
- Thanks were noted for the Council's work on fly tipping.
- It was noted that the audit looked for key controls in setting standards, delivering, measuring and reporting on performance, rather than operational service delivery. These controls were missing. However, are in the agreed action plan which would be implemented going forward.
- There were also some technological improvements to the service and service monitoring that was already well underway and would be implemented shortly.
- Madeline Homer, Chief executive, added that she felt that the process was reassuring and although issues had been rightly raised around controls, the complexity of the service and resourcing issues needed to be taken into account as well.
- TDC Service Standards, setting the level of cleanliness against the Code of Practice, had not yet been published. Doing so was part of the action plan, with a target date prior to September.
- The support of residents was noted as a requirement for the future.
- Of 68,000 properties there were 10,000 without the usual bin collection set-up. Ensuring that the waste for these properties was dealt with appropriately involved a combination of enforcement and education.
- Work had also been carried out with the housing team to support this and the selective licences remaining in the Cliftonville area also required the landlord to maintain reasonable arrangements for the storage of refuse; another avenue for enforcement action.
- The budget had been considered when deciding whether to charge for bins.
- Figures on fly tipping in the district sat within a different service area but would be available. Improvements to means of enforcement in this area had also been made and had positively impacted Council resources.
- The follow-up on the street cleansing audit would take place later in the year, once actions had been implemented. The Progress Report would be presented to the committee at the appropriate meeting.
- Questions were raised regarding the value for money in the investment in mechanical sweepers and it was noted that the abrasive nature of coastal work had meant that the smaller vehicles were not suitable. The Council were looking into larger vehicles and new technologies to combat this issue, but were also faced with the challenge of getting the support of an older workforce for these changes.
- Working with the community and partners on targeted impact had been very well received and the successes could have been communicated better.
- Equality and diversity training was being looked at with the HR team to encourage uptake and would be delivered as an in-person course.
- TDC would also consider the suitability of e-learning going forward, in light of the flexible working policy.
- Bob Porter, Director of Housing and Planning, would look at the figures in the right to buy table in the report, and confirm their explanation with members.

Cllr Kup proposed, Cllr Dexter seconded and members received the report and AGREED that any changes to the agreed 2021-22 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of Annex 1 of the attached report be approved.

## **15. DRAFT INTERNAL AUDIT PLAN 2022-23**

Christine Parker from East Kent Audit Partnership introduced this item, noting that:

- Although the strategic plan showed multiple years, the committee was only asked to approve the next 12 months.
- The Charter would usually come to the committee annually, with the plan, but as there weren't any significant changes it would next come in 2023.

- Information was gathered from a variety of sources to inform the plan.
- The top ten risks shown from the Institute of Internal Auditors' audit cover all sectors and are national.
- They are noted to assure the committee that Internal Audit have considered them all and built them into the proposed plan or, if not, given reasons.
- The benchmarking provision is also outlined for members' information.

Members were welcomed to give any comments on the plan and the following points were made:

- Illness with Covid-19 would now be treated according to the usual sickness absence processes.

Cllr Duckworth proposed, Cllr Shrubbs seconded and members APPROVED the Council's Internal Audit Plan for 2022/23.

## **16. CORPORATE RISK MANAGEMENT - QUARTERLY UPDATE**

Mr Blundell, Director of Finance and Section 151 Officer introduced the review of corporate risks and made the following key points:

- The only change from the previous report was a reduced risk for Covid-19 as the law and associated sickness absence treatment within the Council had changed.
- Considering recent events in Ukraine, the corporate management team would be considering cyber insurance and other measures that can be taken to protect the Council against digital threats.
- The risk score hadn't changed, but an update on governance had been given by the Independent Monitoring Officer to the General Purposes committee.
- It was positive to note that the budget had been approved, however, the funding landscape for local government remained uncertain and this was reflected in the risk report.
- Turbulent times in the economy were also commented on as an issue to try to manage.
- The lowest scoring risks had been set out in Annex 1, as requested by the committee previously.
- A new risk management strategy would be coming to the next meeting of the committee for feedback, review and comments.

During discussion it was noted that:

- The Cabinet portfolio holder noted was incorrect and needed updating on the report.
- TDC would be expecting to see change in the next 6 months on areas impacted by the report of the Independent Monitoring Officer, political stewardship (bearing in mind the upcoming election) and Covid-19 risks (assuming no new variants arise).
- Homelessness was likely to remain a considerable risk going forward.
- The highest scoring risks are presented to the committee but the update to the risk management strategy would include more nuance in future.
- Cyber attacks including phishing attempts have taken place at TDC and are noted as a risk to the Council and a worldwide issue.

Cllr Kup proposed, Cllr Hopkinson seconded and members APPROVED the review.

## **17. STATEMENT OF ACCOUNTS UPDATE**

Chris Blundell presented the Statement of Accounts Update. It was noted that:

- The report related to this year, last year, and next years accounts and audit.
- It was hoped that the 20/21 accounts would have been brought to the G&A committee at this meeting, however there were still two critical items that needed

to be determined and resolved. With the agreement of the Chair, officers would be looking to arrange an extraordinary meeting in May to do this.

- The 21/22 accounts have the same deadlines in place as the current year. However, it was noted that only 9% of audits across all authorities were finished by the 30 September deadline last year and only 40% were complete by the end of December.
- This led CIPFA to launch an emergency consultation to accountancy standards, which TDC have responded to as set out in annex 1.
- There were no changes to the accounting policies for next year, which become effective from 1 April.

Cllr Shrubbs proposed, Cllr Duckworth seconded and members APPROVED the 2022/23 accounting policies as set out in Annex 2 of the report. Members also noted the following points:

1. The progress with the audit of the 2020/21 statement of accounts;
2. The statutory audit deadlines for 2021/22;
3. The council's response to the consultation on time limited changes to the code of practice on Local Authority Accounting, as set out in Annex 1.

## **18. 2021/22 WAIVERS**

Chris Blundell presented the 2021/22 Waivers, noting that:

- He hoped this would be the first of many updates on the use of procurement waivers.
- The default processes and circumstances for deviating from them were set out in the report.
- 21/22 waivers were also set out and there had been 48 in the year to date.

Members commented and during discussion it was noted that:

- Officers would compare data with nearby authorities and try to provide meaningful and fair comparison. However, individual circumstances would make this challenging. For example, more direct control over spend with in-house services would provide more opportunity for waivers, so comparison may not be reasonable.
- Consideration would also be given to presenting the information as a percentage of total spending.
- TDC may have more waivers going forward due to delivering the levelling up fund.
- Although generally the council was aiming for fewer waivers there are often good reasons. The most common reason would be to provide value for money for residents.
- Timescales imposed by Central Government are often difficult and waivers are useful.

Members noted the report.

## **19. LOCAL CODE OF CORPORATE GOVERNANCE**

Estelle Culligan, Director of Law and Democracy, introduced this report and made the following key points:

- The code was referred to in the Annual Governance Statement and last updated in 2019.
- It reflects the CITFA and Solace Good Governance Framework for Local Government 2016 document, which sets out seven principles of good governance that councils were required to provide evidence against.

- The report shows a lot of good that TDC is doing to support its governance, as well as the work being undertaken following the statutory requirements from the external auditor.
- This document would be published with the Annual Governance Statement on the Council website so it was more accessible and would promote transparency in these areas.

During discussion it was clarified that:

- Meetings were held with both unions through the 'Employee Council' to share the Council's policy on a particular area. They then consult their members and come back to TDC individually.

Cllr Hopkinson proposed, Cllr Duckworth seconded and members AGREED to adopt the revised Local Code of Corporate Governance for 2022.

**20. ANNUAL GOVERNANCE STATEMENT 2021/22 ACTION PLAN UPDATE**

Estelle Culligan made the following remarks on this report:

- This is a regular update on the progress of the action plan set out in the Annual Governance Statement.
- Key points were the reference to the Statutory Recommendations from the external auditor, the update to financial procedure rules and the most recent update to the constitution.

Members noted the update.

**21. CHAIR'S ANNUAL REPORT TO COUNCIL**

No members had any questions for the Chair on her Annual Report to Council.

Members noted the report.

**22. EXCLUSION OF PUBLIC AND PRESS**

Cllr Boyd proposed, Cllr Duckworth seconded and members AGREED that the public and press be excluded from the meeting for agenda item 13, as it contained exempt information as defined in paragraphs 1, 2, 3 & 7 of part 1 of schedule 12a of the local government act 1972 (as amended).

**\*\*\*Live streaming ended and any members of the press or public present were asked to leave the meeting\*\*\***

**23. G&A OVERSIGHT OF FRAUD, LAWS & REGULATIONS**

Chris Blundell gave a verbal update.

Meeting concluded: 8.22 pm