



## AUDIT COMMITTEE

Notice of a Meeting, to be held in the Council Chamber - Ashford Borough Council on Tuesday, 4th October, 2022 at 5.00 pm.

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The Members of the Audit Committee are:-

Cllr. Krause (Chairman)  
Cllr. Buchanan (Vice-Chairman)

Cllrs. Campkin, Hayward, Shorter, Smith, Spain, Wright.

### Agenda

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|    | c) Voluntary Announcements of Other Interests  |         |
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RR  
22nd September 2022

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## Declarations of Interest (see also “Advice to Members” below)

- (a) **Disclosable Pecuniary Interests (DPI)** under the Localism Act 2011, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares a DPI in relation to any item will need to leave the meeting for that item (unless a relevant Dispensation has been granted).

- (b) **Other Significant Interests (OSI)** under the Kent Code of Conduct relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares an OSI in relation to any item will need to leave the meeting before the debate and vote on that item (unless a relevant Dispensation has been granted).

However, prior to leaving, the Member may address the Committee in the same way that a member of the public may do so.

- (c) **Voluntary Announcements of Other Interests** not required to be disclosed under (a) and (b), i.e. announcements made for transparency alone, such as:

- Membership of amenity societies, Town/Community/Parish Councils, residents' groups or other outside bodies that have expressed views or made representations, but the Member was not involved in compiling or making those views/representations, or
- Where a Member knows a person involved, but does not have a close association with that person, or
- Where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position.

[Note: Where an item would be likely to affect the financial position of a Member, relative, close associate, employer, etc.; OR where an item is an application made by a Member, relative, close associate, employer, etc., there is likely to be an OSI or in some cases a DPI. ALSO, holding a committee position/office within an amenity society or other outside body, or having any involvement in compiling/making views/representations by such a body, may give rise to a perception of bias and require the Member to take no part in any motion or vote.]

### **Advice to Members on Declarations of Interest:**

- (a) Government Guidance on DPI is available in DCLG's Guide for Councillors, at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5962/2193362.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5962/2193362.pdf)
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, and a copy can be found in the Constitution alongside the Council's Good Practice Protocol for Councillors dealing with Planning Matters. See <https://www.ashford.gov.uk/media/2098/z-word5-democratic-services-constitution-2019-constitution-of-abc-may-2019-part-5.pdf>
- (c) Where a Member declares a committee position or office within, or membership of, an outside body that has expressed views or made representations, this will be taken as a statement that the Member was not involved in compiling or making them and has retained an open mind on the item(s) in question. If this is not the case, the situation must be explained.

**If any Member has any doubt about any interest which he/she may have in any item on this agenda, he/she should seek advice from the Director of Law and Governance and Monitoring Officer, or from other Solicitors in Legal and Democracy as early as possible, and in advance of the Meeting.**

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## Ashford Borough Council: Audit Committee

Minutes of a Meeting of the Audit Committee held in Committee Room 2, Civic Centre, Tannery Lane, Ashford on the **19<sup>th</sup> July 2022**.

### **Present:**

Cllr. Buchanan (Vice-Chair in the Chair);

Cllrs. Campkin, Shorter, Spain, Wright.

### **Apologies:**

Cllrs. Hayward, Krause, Smith.

### **Also in Attendance (virtually):**

Cllr. Ledger.

Accountancy Manager, Director of Customer, Technology and Finance, Interim Head of Internal Audit.

Audit Manager – Grant Thornton UK

### **In attendance:**

Deputy Chief Executive, Senior Accountant, Senior Member Services Officer.

## **98 Minutes**

### **Resolved:**

**That the Minutes of the Meeting of this Committee held on the 21<sup>st</sup> June 2022 be approved and confirmed as a correct record.**

## **99 Draft Statement of Accounts 2021/22**

The Senior Accountant introduced the item. The Draft Statement of Accounts for 2021/22 would be presented to the 'Independent Auditor' Grant Thornton and form the basis of the Audit. Once the audit was completed the Independent Auditor's report to the Members of Ashford Borough Council would be inserted into the Statement of Accounts for final approval and signing by this Committee. The final set of accounts would be accompanied by the Audit Report that would cover any material adjustments between the Draft and Final position. The draft set of accounts would also be used to start the statutory public inspection period which would commence before the last day of July in accordance with revised guidelines.

The Deputy Chief Executive advised that training on the Statement of Accounts had been undertaken via Teams the previous week. The Senior Member Services Officer confirmed that this session had been opened to all Councillors and

additionally had been made available to all Councillors to view after the training session.

Members wished to express their thanks to the Senior Accountant for such an informative and useful training session.

**Resolved:**

**That the Audit Committee;**

- a) **Note the draft statement of accounts 2021/22 and support their presentation to External Audit and for Public Inspection.**
- b) **Approve delegation to the Deputy Chief Executive to make changes to the Draft set of Accounts for 2021/22 before final publication (any material changes will be reported back to this committee).**

## **100 2021 Auditors Annual Report**

The Audit Manager – Grant Thornton UK advised that the report before them was a new style format and he highlighted the main changes to the Committee. In the past an unqualified or qualified decision would have been given, instead of ratings a balanced commentary was given over three themes; financial sustainability, governance and the three ‘E’s’ – improving economy, efficiency and effectiveness. The balanced commentary teased out the positive areas of the Council’s overall arrangements and where necessary areas for improvement. Any weaknesses were graded and he confirmed that no significant weaknesses had been identified during this process. Over the three themes, eight recommendations for improvement had been suggested. Management had accepted seven of these, it had been noted the response was that the cost benefit of undertaking the work may not justify the work involved.

Members noted the change to the reporting template and further that it was no longer a clear cut case of an unqualified or qualified opinion. Drawing attention to the recommendations in the report, it was questioned what weaknesses were identified to make such recommendations and how far the Council would be expected to go in meeting those.

The Audit Manager – Grant Thornton UK advised that they had not identified any significant weaknesses which was positive. Moving to the improvement recommendations, he added that there were two types; recommendations to do more within the existing arrangements or to undertake benchmarking into good practice elsewhere.

The Deputy Chief Executive concurred with the view of the Committee that any work undertaken from the recommendations should be of benefit to the Council and not just a case of reports for the sake of reports. He drew attention to the recommendation that the Management Team had not agreed with, which was the differentiation in financial planning between statutory and discretionary services. Whilst work could be done to assess what those services were, there was a greater point on how statutory services were provided. For example, the waste collection service was a

statutory service however what form did that need to take to be a statutory service? Effectively there could be different levels of a statutory service. The Audit Manager – Grant Thornton UK was aware of one Council that had undertaken work to establish what their defined ‘core offer’ was and had differentiated between their statutory and discretionary services.

There was some discussion on what benefit such work would be to the Council and as part of that it was suggested that work could be undertaken to assess the minimum level of service that could be provided in each area. This would be more self-defined and provide greater benefits to the Council should there be a return to austerity measures. Members supported this proposal and felt it appropriate to make such recommendation to the new Administration whom would be in place following the May 2023 elections.

**Resolved:**

**That the Audit Committee:**

- a) **Notes the Auditor’s Annual Report**
- b) **Recommends to the incoming Administration (from May 2023) that a review of service levels be carried out to assess what the minimum acceptable and current service levels to inform savings proposals in the event of budgetary pressures.**

## **101 Report Tracker & Future Meetings**

**Resolved:**

**That the report be received and noted.**

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ASHFORD  
BOROUGH COUNCIL

**Agenda Item No:**

**Report To:** Audit Committee

**Date of Meeting:** 4 October 2022

**Report Title:** Corporate Risk Register – update October 2022

**Report Author & Job Title:** Charlotte Hammersley, Head of Policy and Performance

**Portfolio Holder** Cllr. Feacey  
**Portfolio Holder for:** Policy and Performance

**Summary:** Twice a year the Audit Committee considers the council's corporate risks and is asked to note the updated assessments and to agree the adequacy of key controls to manage the risks. This report fulfils those obligations.

The Corporate Risk register is assessed using the Risk Management Framework.

**Recommendations:** **The Audit Committee is recommended to consider the Corporate Risk Register:**

- a) **To agree the assessments and the adequacy of key controls to manage the risks.**
- b) **To determine whether there are any specific risks that would benefit from a more detailed report to a future meeting in order for the adequacy of the controls to be assessed.**

**Policy Overview:** Risk Management Framework

**Financial Implications:** None at this stage

**Legal Implications** None at this stage.

**Equalities Impact Assessment** Not required because equalities issues are assessed at the point the project or service the risk relates to are incepted.

**Exempt from Publication:** **NO**

**Background Papers:** **None.**

**Contact:**

charlotte.hammersely@ashford.gov.uk

## Report Title: Corporate Risk Management – update report October 2022

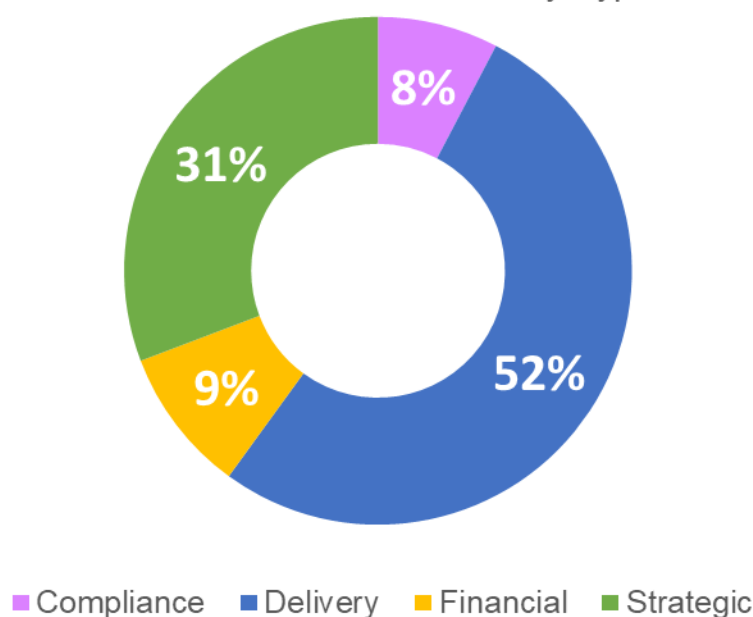
### Introduction and Background

1. Twice a year, the Audit Committee considers the council's corporate risks and risks management controls. This report is an update report providing the latest information on the council's Corporate Risk Register. It also provides additional information on specific risks where this has been requested by the Committee.
2. This Committee last considered the Corporate Risk Register in March 2022 shortly after Russia's war in Ukraine had commenced. It was noted at that meeting that a review of the risks would be necessary in light of repercussions being felt globally. Since that meeting, the council's Management Team have held a dedicated session to review the risk register in light of the war and other environmental factors including post EU transition and recovery from the pandemic. The session was also an opportunity to consider whether some of the council's risks no longer required inclusion on the register having been successfully managed. Following the session, a number of changes were made to the register including; the closure of redundant risks; the inclusion of emerging risks; and changes to current risk profiles. The changes are detailed throughout this report but examples include the elevation of the Cyber Security Risk and the introduction of a risk relating to the supply and cost of materials.
3. The Corporate Risk Register is set out at Appendix A.

### Proposal/Current Position

4. The Corporate Risk Register provides details of the council's key risks that could, if untreated, impact on the council's Strategic aims, Financial position or Compliance with the law.
5. Operational 'delivery' risks are monitored regularly by individual services and the council's Management Team on an exception basis. Any delivery risks that become of strategic significance are also reported to this Committee. Examples of delivery risks include HR processes not being completed, non - delivery of planned maintenance contracts and contamination of recyclables.
6. There are currently **64** risks across the four risk types (strategic, delivery, financial, compliance). A percentage breakdown of each type of risk is provided below:

Ashford Risk Share by Type

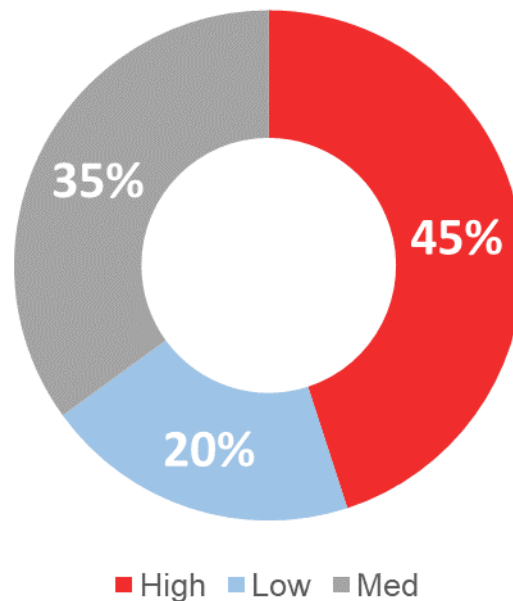


7. The Corporate Risk Register is linked to the risk appetite statement which is contained within the Risk Management Framework. The statement is designed to inform decision making about the amount of acceptable risk within which the council chooses to operate. Risks that fall outside of the council's appetite are reported to the Audit Committee. The appetite statement sets out that the council has a moderate appetite to strategic risks, a low appetite to financial risks and a very low appetite to compliance risks. The Corporate Risk Register is formed of those risks that are currently above the risk appetite levels set.
8. The risk appetite statement was reviewed to reflect the council's ambitions as set out in the draft Corporate Plan 2022-2024 and will now be incorporated into the council's Risks Management Framework.
9. Set out at Appendix A are details of the risks included on the current Corporate Risk Register which provides details of individual risks and explains the current position or any further action that may need to be taken to manage them.
10. This report highlights any changes to the risk profiles since the last update; provides details of any new risks that have been included on the register; and explains those that have been managed down to a level where they no longer require reporting on.

## Strategic Risks

11. There are currently 20 Strategic risks monitored of which 9 feature on the Corporate Risk Register in line with the council's risk appetite statement. A breakdown of the strategic risk ratings by percentage is provided in the pie chart on the next page:

Strategic Risk Rating



## Key changes

### Increased risk profiles

12. The risk of recession (CORP.22.FINIT.R009) has increased following the Bank of England's recent and unprecedented announcement predicting a recession in 2023. The squeeze on household income due to the rising prices of energy and food has led to slower growth in the UK economy. The likelihood and severity of a recession is expected to be high with pressures being felt on the council's budget both in terms of lost income and increased caseloads as the impacts are felt in the community. These impacts will be factored into the Medium Term Financial Plan, the delivery of which has been identified as a separate financial risk (Corp.22.FINIT.R010).
13. The risk of traffic and service disruption in and around Ashford Town (CORP.22.LEGDEM.R004) has also increased as border control disruption has caused significant transport delays in Ashford and Operation Brock stood up over the summer period. Increased border checks which will come into force in May 2023 with the implementation of the EU Entry and Exit system, are expected to increase checking times leading to further disruption in the future. The Kent Resilience Forum and Command and Control Structure continue to provide a co-ordinated mitigation strategy. In terms of service disruption, the council has well-tested and effective business continuity plans in place so this aspect is less likely than when the risk was first identified.
14. In light of the risk environment around cyber security nationally and globally being heightened, the risk to the council of a successful cyber-attack (CORP.22.FINIT.R003) has been increased.

### Emerging risk

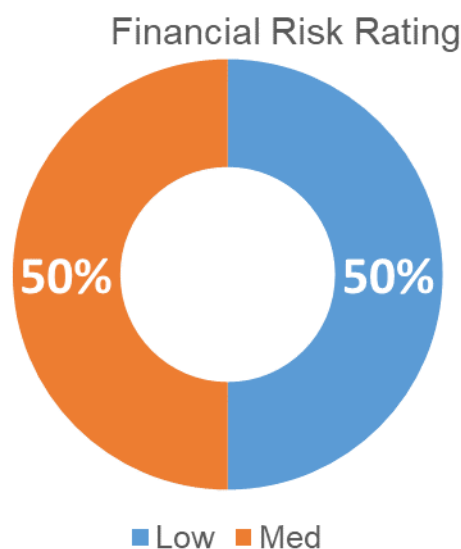
15. A new risk has been included on the strategic risk register relating to supply chain disruption (CORP.22ENVSPORT.R009). This reflects the risks around securing certain materials and managing costs with inflationary rises. The construction industry is especially competitive at present and officers are reviewing and implementing mitigations around procurement and contract management to assist with securing materials and managing costs once in contract. A new risk has also been included for monitoring Corporate Plan delivery. As this risk is within tolerated levels it has not been reported to this Committee on this occasion.

### Reduced risk profiles

16. Following the review of the Corporate Risk Register, the risk of Ashford College not delivering Phase 2 has been removed from the register. This is an externally managed risk and the College has successfully secured funding to deliver the whole of phase 2 on the Elwick site. Works are expected to be completed in time to welcome students in September 2023. Progress will continue to be monitored through the Ashford Strategic Delivery Board.

### Financial Risks

17. There are currently 6 financial risks monitored, all of which feature on the Corporate Risk Register in line with the council's risk appetite statement. A breakdown of the financial risk ratings by percentage is provided in the pie chart on the next page:



## Emerging risk

18. With external pressures impacting the risk profiles of a number of the council's financial risks, a new overarching risk relating to the delivery of the Medium Term Financial Plan (CORP.22.FINIT.R010) has been introduced. A variety of factors are currently affecting this risk including; inflation on all costs and income; interest rate rises, (which increase the cost of short term borrowing); pressures on household income and; delays to government funding.
19. The 2022/23 budget was largely set around October/November 2021 as the United Kingdom (UK) was recovering and starting to live with Covid. However, the impacts since felt following the Russian War in Ukraine mean the inflationary and interest rate forecasts used to formulate the 2022/23 budget setting process were considerably light with actual rates leading to significant pressure of the council budgets. In addition, council residents and businesses are feeling the impacts of rising inflation which is likely to put pressure on the council's fees and charges income, debt collection rates and front line services. Full details can be found in the [council's budget monitoring report published on 21 September 2022.](#)

## Increased risk profiles

The risk of a reduction in the Housing Revenue Account has increased to reflect the external factors impacting income including those set out in paragraphs 19 and 20 in addition to risks around the government imposing rent freeze or reductions. A new rent analytics system is being utilised to identify those at risk of hardship so that early interventions can be made to mitigate this risk.

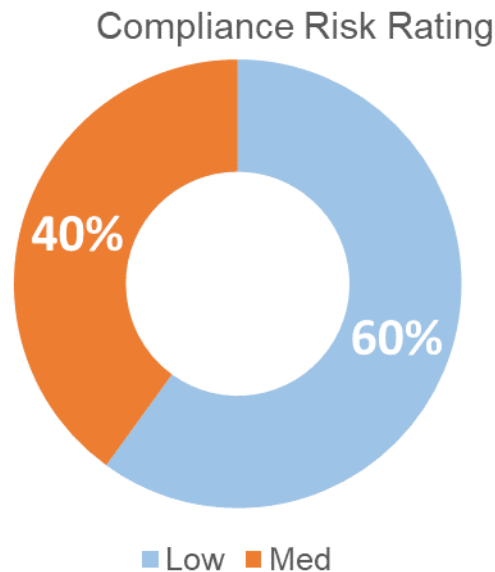
## Reduced risk profiles

20. The council's commercial investment portfolio (CORP.22.STRAT.R004) is currently performing well, particularly in the industrial unit sector. This has led to the likelihood of not making a return on our investments being reduced. However, this risk will continue to be monitored closely in light of the economic environment.
21. The risk of the council not meeting its parking income targets has been removed from the risk register. Following a review of the council's risks it was considered that parking income levels had stabilised since the pandemic and there was not a significant enough risk to the council's finances for monitoring outside of the budget monitoring process.

## Compliance Risk

22. There are currently 5 compliance risks monitored, all of which feature on the Corporate Risk Register in line with the council's risk appetite statement. A

breakdown of the compliance risk ratings by percentage is provided in the pie chart below:



23. The risk of having insufficient resources in the event that an Election were called at short notice (CR17LEG001) has been removed from the risk register. There is a well embedded and rehearsed policy of staffing election work by way of a large corporate effort across services to support the small elections team and the chance of risk materialising is negligible and does not require reporting to this Committee with such regularity.

## **Conclusion**

24. Risk owners have reviewed and reassessed the risks and controls within their specific areas and are satisfied that this report and attached Appendix A represent an accurate picture of the current risks to the organisation.
25. Member of the Committee are asked to consider whether there are any specific risks or themes that would benefit from a further report back to a future meeting.
26. The Corporate Risks Register will be presented again to the Audit Committee in six months time in accordance with the Risk Management Framework where a further update will be provided on current risks and notable changes to the Register.

## **Contact and Email**

Charlotte Hammersley, Head of Policy and Performance

[charlotte.hammersley@ashford.gov.uk](mailto:charlotte.hammersley@ashford.gov.uk)



## Strategic risks

**Report Type:** Risks Report

**Report Author:** Charlotte Hammersley

**Generated on:** 21 September 2022



Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. ECO DEV. R003	Eurostar – negative impact on local economy (development and investments) due to Eurostar not stopping in Ashford until 2022.	Loss of international status; Reduced development and investments in Ashford; Reduced connectivity to Europe, use of station.		Partnership Working Lobbying	■	<p>Eurostar has announced a further delay in their plans to resume international services from Ashford and Ebbsfleet. They have confirmed that Eurostar services will not stop at Ebbsfleet or Ashford stations in 2023, any they cannot make any commitments for another two or three years.</p> <p>Eurostar have stated that whilst their recovery is progressing well, they continue to face considerable financial commitments following the pandemic which combined with a toughened border environment post Brexit and further complexity with the launch of the EU's Entry Exit System means that their focus will continue to be on their most profitable inter-capital routes.</p> <p>The Council continue to be in regular dialogue with Eurostar and will continue to work with partners, KCC, the local MP and High Speed One to lobby for a return in services at Ashford. The Ashford Strategic Delivery Board also continue to keep a watching brief on progress.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. ENVS POR T.R00 6	Failure to deliver Ashford aspect of Mid-Kent Joint Waste Management Contract	Financial impact on the MTFP. Impact on recycling rates. Council's reputation Disruption to waste collection service.	<p>Likelihood</p> <p>Impact</p>	Regular communication, liaison & escalation of issues	-	The final invitation to participate in dialogue was released in March 2022. Since then, competitive dialogue has taken place with interested tenders. Dialogues have progressed well leading to development of documents for the Invitation to Submit Final Tender (ISFT). ISFT documents less the Project Agreement were released on 08/09/2022. Evaluation will take place in late October. At this stage we have to mitigate concerns, but await outcome of tenders submitted at the closing date on 21/10/2022.
				Information sharing and collaboration		
				Financial planning, analysis and internal controls		
				Access to specialist support, advice and expertise		
				Contingency planning		
				Use of Orchard analytics		
				Promotional campaigns to increase take up.		

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. HOU SING. R010	Increasing numbers of people in Temporary Accommodation	Negative social and educational impacts. Pressure on the General Fund. Increased casework and placements.	<p>Likelihood</p> <p>Impact</p>	<p>Welfare Intervention Officer</p> <p>Early Interventions Accommodation Officer</p> <p>Communications Campaign</p> <p>Responding to relevant actions in the Housing Delivery Action Plan</p>	↑	<p>This risk profile has increased to reflect spend and numbers in temporary accommodation increasing. Whilst numbers presenting as homeless remain stable, the profile of people presenting has changed, with an increase in singles rather than families. Currently the supply of temporary accommodation for singles is limited and we are having to rely on expensive Bed and Breakfast providers, who are also increasing their prices. The move on option for this group is also more limited due to the shortage of supply of one bedroom units which has led to people remaining in Temporary Accommodation for a longer period of time, which has led to our overall numbers increasing.</p> <p>To mitigate this risk, we are talking to a number of providers to see whether we can source cheaper, more suitable accommodation. We are also allocating nearly all one beds to homeless households. We have recently received Rough Sleepers Initiative funding to help support and prevent single people from becoming homeless and we are in the process of recruiting to these posts.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R003	Successful cyber attack	Data breach Loss of service Reputation Financial		Staff training Patching, firewall, policy rules Emergency planning exercise	↑	New corporate firewall installed. This is an NG firewall (next generation) that doesn't just give us traditional firewall capability of blocking and allowing certain traffic, but also virus scanning, web filtering protection and IPS (intrusion prevention system).
COR P.22. FINIT R009	Recession	Loss of income Increased caseload Increased demand for Housing and Revenues and Benefits Services		Regular communication with Arlingclose Increased minimum reserves balance	↑	The squeeze on household incomes due to the rising prices of energy and food has led to slower growth in the UK economy. Due to this the likelihood of a recession has increased and the severity is expected to be high, costing the Council in excess of £1m
COR P.22. LEGD EM.R 004	Transport and service disruption in Kent	Inability to deliver services in and around Ashford in a timely way Negative impact on local businesses and the economy Anti-social behaviour		Kent Resilience Forum risk register ABC attendance at KRF Strategic and Tactical Coordinating Groups Individual service disruption risk assessments and controls in place	↑	The ongoing fragility of border control means that significant delays can be caused backing up into Ashford and the implementation of Operation Brock. Significant delays in and around Ashford were felt in late July as a result of border issues in France combined with the commencement of the school holidays. Brock has remained in place over the summer period. The Kent Resilience Forum and command and control structure continue to mitigate the situation. Increased border checks in May 2023 with the implementation of EU Entry and Exit system are expected to increase checking times and therefore the challenges associated with this risk could worsen.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. PLAN NING .R008	South of Ashford Garden Community (SAGC) not delivered to time and quality	A quality garden community not delivered in accordance with the approved vision and strategy within anticipated timescales.		Chilmington Together governance structure in place	<input type="checkbox"/>	Detailed note provided below:

**Garden Community Priority Project Delivery**

A funding bid has been submitted to Homes England’s Garden Community Capacity Fund to support internal resourcing and a wide range of projects to develop and progress delivery of community infrastructure. The outcome of this bid should be known at the end of February.

Work to develop an SAGC website is underway and will be complete shortly.

**Planning Matters**

Ongoing discussions with Hallam Land regarding Court Lodge continue with agreement to the community heads of terms expected soon. The review of the Nutrient Neutrality report for Court Lodge is underway. Once the remaining matters are confirmed/resolved, the application will move to Committee for resolution. There is no current progress on Kingsnorth Green to report.

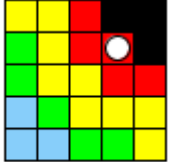
Two application for Reserved Matters have been received at Chilmington Green. Hodson Developments has submitted an application for Parcels D & H and Brookworth Homes have submitted an application for Parcel K. Officers are currently assessing these applications.

**Natural England**

Mitigation is required for both Court Lodge and Kingsnorth Green in order for the applications to be determined by the council. Any future Reserved Matters at Chilmington Green will also need to consider mitigation.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
	<p><b>Chilmington Green Delivery</b></p> <p>We have circa 200 occupations. It appears that Hodson Developments are progressing with some new groundworks at the rear of The Lakes development. Barratts are completing the final few properties on Parcel Q and continue to build out at Parcel R. Jarvis continue to make steady progression with good sales at Parcel P.</p> <p>In the autumn, the council sent their decision on Hodson’s application to redetermination 57 of the s106 clauses. Hodson Developments then applied to Court for a Judicial Review which was turned down by the Judge. Hodson Developments have appealed this decision which is currently under consideration. These legal discussions mean that the council’s relationships with all developers are under pressure.</p> <p><b>Secondary School</b></p> <p>Planning application was submitted in the autumn and is being considered by officers. There are concerns with the impact on the highway and levels of parking proposed with comments raised by the parish council, residents and community members. Officers are working with KCC Highways and the applicant to resolve these concerns. It is however hoped that the application can be taken to committee in March.</p> <p>The S106 amendments for school access remain under discussion between KCC and Hodsons.</p> <p><b>Primary School</b></p> <p>The primary school opened on the 1st November. There are community concerns about traffic access to the school. The school appears to be managing these well. The improved footpaths provided by KCC and ABC from The Lakes to the school and from Chilmington Green Lane to the primary school have had a positive impact.</p> <p><b>Sustainable Transport Strategy</b></p> <p>This jointly funded piece of work with KCC is drawing to a conclusion. A draft strategy and action plan are being considered with consideration by members likely in the spring. Funding to support delivery of projects within the action plan was included in the HE funding bid. Work with KCC to identify other sources of funding is underway.</p>					

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
	<p><b>CMO</b></p> <p>The CMO is in the process of agreeing its new business plan. Hodson Developments have changed their nominations on the board so induction of these new directors is underway. The closing date for applications for the first resident director have now passed with interviews to take place over the coming few weeks. It is hoped to have a resident director in post by early April, if not before.</p> <p>Community development will gather pace this year. In partnership with the CMO, the council is procuring a Placemaking Sprint, a series of high impact, quick community projects to raise the profile of the CMO and increase resident engagement. The CMO has also set up a Community Grants Fund which is now live and is piloting a resident sounding board. These events, alongside resident surgeries and newsletters are expected to build and grow the reputation of the CMO amongst residents and engender community participation/capacity building.</p> <p>Work to hand over landscaping to the CMO is gathering pace, with the first handover expected in about six weeks, subject to the provision of plans, inspections and the expected quality of planting.</p>					
	<p><b>Discovery Park Masterplan</b></p> <p>Work to progress with the masterplan is shaping up using internal resources and skills. A community consultation event is hoped will take place later this year.</p>					

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. PLAN NING .R010	Poor quality water in the River Stour (nitrates and phosphates)	An inability to permit housing development without appropriate assessment and mitigation measures. Negative impact on council budget due to loss of planning income, cost of mitigation strategy.	 <p>Likelihood</p> <p>Impact</p>	<p>Legal advice received being followed</p> <hr/> <p>Relevant stakeholders working on mitigation schemes to allow development to take place.</p>	-	<p>No change in risk assessment.</p> <ul style="list-style-type: none"> <li>• Work is ongoing to identify land for strategic wetlands</li> <li>• Discussions have been held internally regarding the complexities of nutrient credit systems and scope of Supplementary Planning Document.</li> <li>• Applications proposing on-site mitigation continuing to progress through Appropriate Assessment process.</li> <li>• Natural England announcement of funding and resourcing for a national nutrient mitigation scheme. Details to be released in autumn. Discussions ongoing with Natural England about the impact of this on borough and catchment mitigation strategies.</li> </ul>



Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22E NVSP ORT. R009	Supply chain disruption	Projects and services not delivered to time or budget		Monitoring of goods and services Contract management	<input type="checkbox"/>	Detailed note provided below:

This is a new risk on the register to reflect the uncertainties around the supply and cost of goods and services. In particular, there is a reduction in the number of bids being received for construction and works related to contracts where prices cannot be guaranteed.

There is also reduced interest in more complex projects due to it a highly competitive market. Contractors are in demand and the materials market is providing challenges with some construction related items being difficult to obtain and prices being inflated.

In response, an individual approach is being taken where needed on some contracts. For example, reducing the length of time contractors are committed to holding prices for where inflationary pressures mean they cannot guarantee prices for long. Where a typical price hold may have been 150 days previously, it can now be as little as 15 days.

In terms of contract management, the rising cost of materials is impacting on bidders potentially increasing prices whilst in contract. Again, mitigations are being put in place, for example, the use of vesting certificates, whereby materials are purchased and stored by the manufacturer until ready to use.

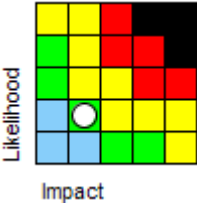
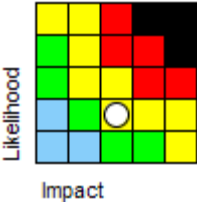
The approach to supply chain disruption is individualised depending on the industry and materials. Construction is the most challenging area at the moment. However, the effects are likely to be felt in other sectors.

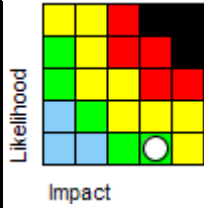

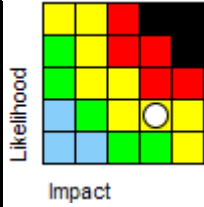

## Financial risks

**Report Type:** Risks Report

**Report Author:** Charlotte Hammersley

**Generated on:** 21 September 2022

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R008	Change to accounting standards: requirement to record all losses through income and expenditure.	Potential for temporary losses to be shown affecting the council's investment decisions.		Regular communication with Arlingclose	-	<p>No change to the risk profile. There is a statutory override for the 5 years therefore it will cause an issue in the short/medium term however it is unclear if this will be made permanent or be removed in the future.</p> <p>Will consider impact when borrowing and investing in individual instruments.</p> <p>We will continue to monitor and discuss with auditors.</p>
				Lobbying		
COR P.22. FINIT .R010	Insufficient reserves to respond to another unforeseen event	Section 114 Notice Inability to deliver services		MTFP and budget monitoring processes	-	<p>The Medium Term Financial Plan is currently being developed. At present there are sufficient reserves in place over the medium term. A number of assumptions are being made which will need to be tested as the plan is developed.</p>
				Savings target		
				Commercial income target		

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R010	MTFP Delivery	An unbalanced budget Corporate Plan delivery		Budget monitoring savings and investments strategy commercial and digital programmes Economic Resilience Reserve		Number of significant pressures to the MTFP at the current time including the inflation on cost and income, interest rate rises, pressure on household incomes, corporate property voids and the need to provide rent concessions.  There are savings still to be identified for 2022/23.
COR P.22. STRA R00	Inability to make expected return on commercial investment portfolio	-Reputational damage of not delivering strategic projects. -Financial loss to the council which would impact on the councils Medium Term Financial Plan. -Potential loss of income by not achieving the minimum rent at Elwick Place to cover quality maintenance. -Inability to let the units at Carlton Road could lead to the need to repurpose or sell the site.		Regular monitoring of commercial investments Regular review of tenancies at International House with portfolio holder and marketing agent. Established tenants on mid-term leases at International House. Reviews of the market with agent (Carlton Road) Current demand for similar product to Carlton Road elsewhere		The likelihood of this risk has been reduced. Demand remains strong for industrial units at Carlton Road. The only factor which prevents the units from being highly competitive in the industrial sector is the operating time restrictions in place as per the planning terms. Similarly, Elwick Place is performing well with only one until (number 6) being vacant.  For the first time since underwriting the two floors at the Commercial Quarter, a profit has been realised this quarter.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. STRA T.R008	Ongoing maintenance liabilities exceeding available budget.	Standard of maintenance reduced. Only necessary maintenance carried out.		Programme management & PID process Corporate asset management review Expenditure in line with Asset Management Strategy and prioritised. Stock condition survey	▬	This risk remains at the same level. Whilst the repairs and renewals budget has been increased within the last few years, there continues to be a pressure whilst an asset management plan is being developed. The asset management plan will consider the energy efficiency of the assets as well as condition.
COR P.22. HOUSING. 010	Reduction in Housing Revenue Account income	Housing Revenue Account levels negatively impacted		Increased monitoring of number of cases, arrears levels and number of new Universal Credit claimants	⬆	Risk changed to reflect any current external factors impacting on income. The cost of living crisis and energy costs are particular risk factors as well as the government imposing rent freeze or reduction. Mitigations include a rent analytics system to enable targeted work with tenants in arrears and maximising the use of various grant funding streams e.g. household support fund, Contain Outbreak Management Fund (COMF) and the Discretionary Housing Payment.

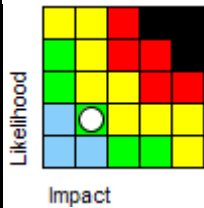
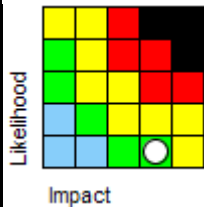
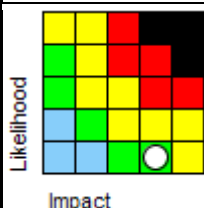
## Compliance risks

**Report Type:** Risks Report

**Report Author:** Charlotte Hammersley

**Generated on:** 21 September 2022



Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R001	Loss or theft of portable devices and data stored on them	Potential breach of council or personal data. Reputational damage.		Remote working and portable devices guidance Portable devices encrypted Data Protection Impact Assessment	—	No change. InTune setting has been configured to not allow corporate data to be copied to a USB memory stick that hasn't been encrypted, to help prevent removal / loss of data.
COR P.22. FINIT .R002	Not achieving codes of compliance: pci and Public Services Network	Potential to stop the council being able to communicate with other public sector organisations.		Patching, firewall, policy rules	—	There has been no change since the last update. PSN Code of Compliance is still the only compliance regime we have to officially achieve. Due to having our payment systems hosted offsite by Capita and have closed the Tourist Information Centre at the Gateway we no longer have to be PCI compliant, just ensure whoever we use for these services is.
COR P.22. FINIT .R005	Loss of the Kent Public Services Network (KPSN) and services it provides	Potential to stop the council being able to communicate with other public sector organisations.		Externally managed	—	Detailed note provided below:

Did not proceed with 2nd circuit for Sevington BCP, as we did not want to incur any further cost at the site with the changes and delays announced.

The new design of the KPSN network has greatly rationalised down the number of circuits supporting single sites. It is now a "diamond" shaped circuit, with 4 main corners of which the Ashford BT exchange is one. This has made our connection more secure and reliable as it has a lot more other organisation circuits connected meaning it is a primary exchange site with better / higher support from Capita & BT.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
<p>To make our connection fully resilient would require a second circuit, from a different BT exchange, connecting to additional router and firewall solutions. This would be at a great expense, and as we have not experienced any serious downtime with existing single KPSN circuit to the main Civic Centre site, we have not seen this as necessary.</p>						
COR P.22. POLP ER.R 001  Page 29	Non-compliance with data protection laws	ICO fines Enforcement notices Reputational damage Customer dissatisfaction		GDPR action plan	-	The council continues to have strong governance arrangements with regard to data protection including training, communication and a clear set of policies in place. Data retention continues to present challenges as individual services work to reduce the information they hold. This combined with the increased risks associated with storing large volumes of personal data prevents a reduction in the likelihood of this risk. The council's policies are currently being updated and expected to be submitted to Cabinet in November 2022. Following this, we are looking to launch a review of the Records of Processing Activity.
				Service briefings		
				Dedicated resource		
				Staff training		
				Information Governance Group		
				Consultant legal support for key policies		
				Information Commissioner Office registration		
COR P.22. SAFE WELL .R007	Non-compliance with Health Safety Act and Regulations	Reputational Financial fines from the Health and Safety Executive Loss of working days Death or serious		Risk assessments	-	Detailed note provided below:
Health and Safety Policies and Procedures						
Mandatory and targeted training						

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
		injury		programme Service compliance Management Team trained on leading safety Six monthly report to Management Team		
<p>Limited Covid-19 controls remain in the Civic Centre. These follow the Covid Secure principles and apply to visitors and tenants. All precautions are regularly risk assessed, and reviewed and are compliant with health and safety law and government guidance. The current measures follow the 'Living with Covid' plan and HSE advice.</p> <p>Messages are periodically posted on the council's internal 'Smart Hub' to inform staff of any new safety arrangements, particularly relating to the Civic Centre. The Covid office outbreak plan was reviewed in June 2022 to reflect current advice and remains a valuable document for managers to refer to should they need support in the instance of a Covid outbreak. PPE Cell arrangements closed at the end of May 2022 and the Cell is ready to step up again should the need arise.</p> <p>The three named individuals Management Team identified and appointed as Competent Person(s) under the Fire Safety Regulatory Reform Order 2005 have started their training course. These Competent Persons will matrix work across the organisation to provide fire safety expertise and resilience. The Fire Safety Management Policy was successfully signed off at Cabinet in June 2022. An active safety and wellbeing training and refresher programme is maintained and CHS continually liaise with HR.</p>						



# Agenda Item 5



ASHFORD  
BOROUGH COUNCIL

**Agenda Item No:**

**Report To:** Audit Committee

**Date of Meeting:** 5 October 2022

**Report Title:** Annual Governance Statement – Progress on Remedying Exceptions

**Report Author & Job Title:** Charlotte Hammersley, Head of Policy and Performance

**Portfolio Holder** The Leader  
**Portfolio Holder for:**

**Summary:** This report updates on the progress made towards the areas of review highlighted by the 2021-2022 Annual Governance Statement

**Key Decision:** NO

**Significantly Affected Wards:** N/A

**Recommendations:** **The Audit Committee is asked to note the progress made towards the areas of review highlighted by the 2021-22 Annual Governance Statement as detailed in this report.**

**Policy Overview:** Each year the council must produce and approve an Annual Governance Statement (AGS). The production of an AGS is a requirement of the Accounts and Audit Regulations 2015, regulation 6(1).

The AGS sets out how we are delivering governance arrangements in accordance with the Local Code of Corporate Governance, which follows principles contained in national guidance and produced by CIPFA and SOLACE. Any areas for review are identified in the AGS and progress reported upon through this report during the course of the year.

**Financial Implications:** None

**Legal Implications** None

**Equalities Impact** Not required as this is a monitoring report which doesn't

<b>Assessment</b>	propose any change to the council's processes or procedures.
<b>Data Protection Impact Assessment Risk Assessment (Risk Appetite Statement)</b>	Not required. The council has a low risk appetite towards compliance matters. The Annual Governance Statement makes recommendations for improvements to ensure that any potential risks highlighted are mitigated against.
<b>Other Material Implications:</b>	None
<b>Exempt from Publication:</b>	NO
<b>Contact:</b>	charlotte.hammersley@ashford.gov.uk

## Report Title: Annual Governance Statement – Progress on Remediating Exceptions

### Introduction and Background

1. Each year the council must produce and approve an Annual Governance Statement (AGS). The AGS is designed to summarise for Members and residents the council's approach to governance and show how the council fulfils the principles for good corporate governance in the public sector. The AGS draws conclusions, based on evidence throughout the past year, about the effectiveness of the council's arrangements.
2. The 2021-2022 AGS was agreed at the March 2022 meeting of the Audit Committee. The AGS identified eight areas for continued work and review which are set out in this report together with an update on their progress towards completion.

### Progress to Date

Governance Area no 1	Responsible	To be delivered by
Provide further training sessions to support staff in using competency framework during the appraisal process.	HR Manager	April 2022
<p>Latest position: In January, five sessions were held explaining how to complete appraisals including the competency framework. 102 people attended.</p> <p>An on-demand simulation to walk staff through how to evidence competencies was also created which has been well used. The new system has also allowed us to build in a manual with step by step guides. 318 people have used these guides. In addition regular updates are provided on the Smarthub (the council's Intranet) and a dedicated section for these updates was launched over the summer.</p>		

<b>Governance Area no 2</b>	<b>Responsible</b>	<b>To be delivered by</b>
Complete the review of the Executive arrangements within the constitution and commence a wider review of the whole document.	Solicitor to the Council and Monitoring Officer	March 2023
<b>Latest position:</b> the review of the Executive arrangements has concluded and Members will shortly be provided with information about this and a link to the council's constitution. The wider health check of the constitution is ongoing and expected to complete in time for the new Council Year in May 2023.		

<b>Governance Area no 3</b>	<b>Responsible</b>	<b>To be delivered by</b>
Deliver an upgrade to the technology supporting council meetings to facilitate different ways for the public to engage for example through streaming and hybrid meetings.	Member Services Manager and IT Manager	September 2022
<b>Latest position:</b> after successful user testing, equipment has been purchased and installed in the two council committee rooms. Whilst already in use, there are some final tasks to complete the works including adoption by the software company; and changes to the layout of the committee rooms to ensure that the hybrid solution is of maximum benefit. Once these steps have been implemented, a significant improvement to the hybrid meeting arrangements is expected. Work is also underway to explore the best technological solutions for the council chamber and a site visit to another council is planned for October 2022 to view a system already installed.		

<b>Governance Area no 4</b>	<b>Responsible</b>	<b>To be delivered by</b>
Develop an action plan for improving the council's Section 106 process in order to deliver the agreed actions set out in the report of the Mid Kent Audit Partnership (MKAP).	Assistant Director of Planning and Development	March 2023
<b>Latest position:</b> Since May, officers have been working hard to respond to the MKAP actions in addition to those identified by an Overview and Scrutiny Task Group. An action plan has been prepared and a report made to 13 September 2022 <u>Overview and Scrutiny Committee</u> detailing progress made to-date.		

<b>Governance Area no 5</b>	<b>Responsible</b>	<b>To be delivered by</b>
Develop a comprehensive Member Induction Programme in 2022 ready for the new Council in 2023. In addition to legislative and committee role training, the induction should reflect learning from the current council membership and include practical information about what to expect when becoming a councillor.	Member Services Manager	May 2023
<b>Latest position:</b> The Training Panel will be meeting in October to begin work on developing a comprehensive Member Induction Programme ahead of the new Council being elected in May 2023.		

<b>Governance Area no 6</b>	<b>Responsible</b>	<b>To be delivered by</b>
Deliver an Ashford Manager Programme and wider suite of management development training during 2022/23 to develop the skills of individuals and to assist with succession planning across the organisation.	Assistant Director of HR, Customer Services, Communications and Digitalisation	March 2023
<b>Latest position:</b> This action is complete with the Ashford Manager Programme delivered over the summer period. The Programme is designed to focus on leadership techniques to help develop the skills of managers across the organisation.		

<b>Governance Area no 7</b>	<b>Responsible</b>	<b>To be delivered by</b>
Review the Corporate Risk Register to ensure it reflects the council's strategic priorities as set out in the Corporate Plan 2022-24	Head of Policy and Performance	September 2022
<b>Latest position:</b> This action is complete. The council's Management Team held a dedicated session to review the council's risk register taking account of the council's priorities set out in the Corporate Plan and other national and international issues affecting the council's risk environment. Further details are provided in the Corporate Risk update elsewhere on the agenda for this meeting.		

<b>Governance Area no 8</b>	<b>Responsible</b>	<b>To be delivered by</b>
Review the council's suite of Data Protection Policies and service's in updating their Records of Processing Activities	Head of Policy and Performance	September 2022
<b>Latest position:</b> A review of the council's overarching Data Protection Policy and sub-policies is underway and on target to be submitted to the November meeting of the Cabinet for approval. There is a planned review of the Records of Processing Activity to coincide with the launch of the new policy once adopted.		

<b>Governance Area no 9</b>	<b>Responsible</b>	<b>To be delivered by</b>
That the Terms of Reference of the Trading and Enterprise Board be amended to include oversight of the Ashford International Development Company.	Solicitor to the Council and Monitoring Officer	September 2022
<b>Latest position:</b> The governance arrangements of the Ashford International Development Company were included in the Chief Executive's delegated decision (granted at the Cabinet meeting on 27 January 2022) regarding the purchase of the Company. The decision set out how the Company would brought within the oversight of the Trading and Enterprise Board as per the recommendation of this Audit Committee. Therefore, this action is complete.		

## Conclusion and Next Steps

3. Good progress has been made towards completion of the actions arising from the 2021/22 Annual Governance Statement. Further updates will be provided in the annual review of the Annual Governance Statement in March 2023.

## Contact and Email

Charlotte Hammersley, Head of Policy and Performance

[charlotte.hammersley@ashford.gov.uk](mailto:charlotte.hammersley@ashford.gov.uk)

### Report Title: Annual Report - Investigation & Enforcement Support Team

#### Introduction and Background

1. This report provides an update on the work of the Investigation and Enforcement Support Team within the Finance & IT Service for the annual year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.
2. The Corporate Investigations Team was established following a centralisation of fraud for Revenues and Benefits. The team now works across the whole authority to support Services in areas that could attract fraud and develop processes for detection. The team have been successful in this over the years, working with Housing on identification and verification of the Right to Buy and Homelessness applicants and with the newly formed Environmental Crime Team supporting prosecutions, case management and fly tip investigations.
3. The Investigation Team has 6 full time equivalent staff consisting of; 1 Manager, 1 Senior Investigator, 1 Investigator and 1 Trainee Investigator, 1 Intelligence Officer, and 1 Trainee Intelligence Officer, both trainee posts are career grades.

#### Current Position

4. The costs of the investigation team is as follows:

	£
Direct costs (i.e. wages)	269,875
External grants and contributions	(78,040)
Indirect costs (i.e. payroll/legal)	36,273
<b>Total cost</b>	<b>228,108</b>

5. During 2021/22 the team, working in partnership with relevant Services, conduct various investigations. The also undertake a programme of innovative data matching campaigns to identify financial abuse, irregularity and fraud.

The overall financial value identified was **£687,632** of public funds.

This equated to **£459,226** of Ashford Borough Council funds.

The team are also active members of the Kent Intelligence Network (KIN) which is a network of all Kent Local Authorities including the County Council (Ben Lockwood is chair) Details of the county wide financial savings are attached.

## Project Areas and Savings

6. The Investigations Team have worked partnership with the relevant services throughout the year to identify various financial savings following active investigations as follows;

Removal of Single Persons Council Tax Discount	£6,276
Amended Council Tax Liability	£63,577
Council Tax Fines	£210
Repaid Business Rate Grants (Covid)	£62,000

Small Business Rate Relief continued to be highlighted as an area of high financial risk and further reviews and investigations have taken place. This has attributed savings as follows;

Small Business Rate Relief Review	£12,085*
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\*It must be noted that the above saving will be achieved year on year.

Business Rates is another high risk area for us. We identify Businesses' that have not registered, as well as properties that have undeclared holiday lets and are therefore not on the rating list. Additional income attributed is as follows;

Undeclared Business Rates	£302,424*
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\*It can again be noted that this additional income will be year on year.

The team is working in partnership with our **Housing Team**, to safeguard our properties to ensure that only those with genuine entitlement are allocated Housing. Investigations into unlawful possession resulted in 5 properties being returned

Properties Returned for Use	£113,150
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The Council protects its 'Right to Buy Scheme', ensuring that only those entitled receive discounts. Successful 'Right to Buy' applications have been reduced annually by 30% since the team have been verifying the application process and one 'Right to Buy' application was refused and the asset retained.

Discount Refused	£80,900
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The Team, alongside Housing identify unlicensed Houses of Multiple Occupation resulting in a saving of;

HMO Licenses	£564
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7. Commercialisation – Extensive work has taken place to develop the team by commercialising the Investigation Service within Kent. The team have been successful in being awarded 2 one year contracts by neighbouring Authorities to investigate Social Housing Fraud on their behalf. The contracts have attracted an income of £32,000.

## **Conclusion**

8. This has been a successful year for the team who have also secured 2 commercial contracts.

## **Future**

9. The team are continuing with the commercial approach and are in discussions with 2 Housing Associations looking to develop contracts the next coming year.
10. Support for the data matching project the Golden Record System continues and we are looking to commence a pilot exercise in the coming year
11. The team are delighted to report that they are finalists in the Institute for Revenues, Rating and Valuation (IRRV) categories of Excellence in Counter Fraud and Excellence in Staff Education/Development.

## **Portfolio Holder's Views**

12. These will be reported at the meeting.

## **Contact and Email**

13. Debbie Dansey  
Investigation and Enforcement Support Team Manager  
Debbie.Dansey@ashford.gov.uk

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# Agenda Item 7

**Agenda Item No:**

**Report To:** Audit Committee

**Date of Meeting:** 4 October 2022

**Report Title:** Audit Committee Annual Report for 2021-22

**Report Author & Job Title:** Alison Blake – Interim Deputy Head of Audit



**Summary:**

The report outlines how the Audit Committee has effectively discharged its duties during 2020/21. The report provides assurance to the Council that important internal control, governance and risk management issues are being monitored and addressed by the Committee.

**Key Decision:** No

**Significantly Affected Wards:** All

**Recommendations:**

1. That the annual report of the Audit Committee Activity for 2021- 22 is **agreed**
2. That the Chair of the Audit Committee **presents** the report to future meeting of the Full Council to demonstrate how the Committee has discharged its duties.

**Policy Overview:** N/A.

**Financial Implications:** N/A

**Legal Implications:** N/A

**Risk Assessment:** N/A

**Equalities Impact Assessment:** N/A

**Other Material Implications:** N/A

**Exempt from Publication:** N/A

**Background Papers:** The Audit Committee is required to monitor audit activity (internal and external), review and comment on the effectiveness of the Council's regulatory framework and review and approve the Council's annual statements of accounts and associated strategies and policies. This report sets out how this has been achieved during 2021/22.

**Contacts:** [alison.blake@midkent.gov.uk](mailto:alison.blake@midkent.gov.uk) – 01622 602 080

**Report Title:            Audit Committee Annual Report for 2021-22**

**Purpose of the Report**

1.     The report outlines how the Audit Committee has effectively discharged its duties during 2021/22. The report provides assurance to the Council that important internal control, governance and risk management issues are being monitored and addressed by the Committee.
2.     The report will be presented to the Full Council at a future date to demonstrate how the Committee has discharged its duties during 2021/22.

**Background**

3.     The production and presentation of an annual report is something that the Committee has done for the several years and is recognised as good practice.

**Conclusion**

4.     The Interim Head of Audit Partnership oversaw a workshop in September, where Committee Members discussed their views on the work of the Committee during 2021/22. These views are included in the report.
5.     The draft report was circulated to the Chairman of the Audit Committee prior to submission for this meeting.

**Implications Assessment**

6.     The Committee could decide that they no longer wish to publish an annual report, however, this would not be advised. Oversight and monitoring of the Council's activities is a vital part of effective governance. Without an update from the Audit Committee, Council would lose a key source of assurance regarding the effectiveness of the arrangements in place to ensure good governance, risk management and internal control.

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# **Audit Committee**

## **Audit Committee Annual Report 2021/22**

**Ashford Borough Council**

## Introduction from the Chair - Cllr Larry Krause

As the Chair of the Audit Committee, it is my pleasure to introduce the annual report of the Committee's activity during April 2021 to March 2022. This report looks back and gives us the opportunity to reflect on the activity of the Committee during the year. I am pleased to confirm that the Committee has been able to discharge its responsibility to provide independent assurance on the adequacy of the Council's risk management framework and the associated control environment.

The Committee has met five times in the last year. As Hybrid meetings are now becoming the norm, it is pleasing to note that while some Members, and Officers, joined the meeting remotely, these meetings were successful in being inclusive. As per the Council's Constitution, all the meetings were quorate, with at least a quarter of the committee Members' attending. In addition, as per legislation, there was enough in person attendance to allow formal decision making to be made and recorded.

During the year we have received, reviewed and, where necessary, challenged reports relating to the Council's internal and external audit, risk and governance arrangements, and financial activity. We have routinely reviewed the updated Corporate Risk Register, including risks associated with the Ashford Port Health Service and Cyber Security. We also have robust processes in place to review weak assurance internal audit reports and ensure services are taking appropriate action to address the findings from these.

Among the highlights for the year, we noted the positive assurance opinion provided by the interim Head of Internal Audit on the Council's risk and control environment. In addition, in March 2022, Grant Thornton had substantially completed the audit, and were looking to give an unqualified opinion. While this is good news in providing assurance over the quality of our financial arrangements, the ongoing delays around delivery of the final report remain frustrating.

We have provided robust scrutiny and challenge of the Authority's financial performance. Including writing a letter to Grant Thornton expressing our disappointment in the delays to the audit for 2021/22. A copy of this letter was provided to the PSAA for their information, and it is our hope that these issues are addressed during the procurement of external audit for the five years following the 2022/23 audit.

Finally, I would like to take this opportunity to thank Members and Officers that have supported the Committee over the last year.



Cllr Larry Krause,  
Chair of the Audit Committee



# What is the purpose of the Audit Committee?

The Audit Committee operates in accordance with the [Audit Committees, Practical Guidance for Local Authorities 2018](#), Published by the Chartered Institute of Public Finance (CIPFA). The guidance recommends that audit committees should report annually on how they have discharged their duties, and sets out the purpose of an Audit Committee.

## **As per CIPFA's Position statement: Audit Committees in Local Authorities and Police:**

“Audit Committees are a key component of an authority’s governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.

The purpose of an Audit Committee is to provide those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.”

The Audit Committee is independent from executive management and the Cabinet and has clear reporting lines and rights of access to discharge its responsibilities in accordance with its Terms of Reference (Appendix I). This includes direct access to the Council’s Appointed Auditors (Grant Thornton) and Chief Audit Executive, without the presence of other Officers, where appropriate.

## **Ashford Borough Council – Audit Committee Purpose as per the Terms of Reference**

The purpose of an Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority’s financial and non-financial performance to the extent that it affects the Authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process.

The Committee monitors internal and external audit activity, reviews, and comments on the effectiveness of the Council’s regulatory framework, and reviews and approves the Council’s annual statements of accounts.

The Committee is not a substitute for the management function in relation to internal or external audit, risk management, governance, or any other review or assurance function. It is the Committee’s role to examine these functions, and to offer views and recommendations on the way the management of these functions is conducted.

## Key challenges

The Council is still feeling the effects of the pandemic, and as we approached March 2022 other effects from geopolitical unrest and a weakening economy were becoming clearer. As a committee there have been some key challenges in the last year. Some of these are noted below:



### Hybrid Working

The Council has adapted well to remote working, but more is needed to understand how to work effectively in a hybrid environment. Including how to maintain connections and informal discussions, and considerations around the amount of physical office space that is required.



### Administration of business grants and community grants

The Council is involved in a number of significant projects, e.g. New Towns Work, and Audit Committee needs to understand the governance arrangements in place to manage these and have assurance they are suitably robust.



### Cyber Security

Cyber Security continues to be a key threat to Council operations and requires ongoing management and monitoring to ensure that the Council remains as protected as it can be.



### Internal Audit

While Mid Kent Audit has remained operational and been able to deliver the bulk of the Council's 2021-22 audit plan it has experienced significant difficulties retaining and recruiting staff. This includes delays in recruiting to the Head of Audit post which has been vacant since January 2022.



### Carbon Neutral Targets

The Council, as with other authorities, has ambitious targets for being carbon neutral by 2030. As such a key challenge is ensuring delivery of these targets and maintaining momentum as other pressures on the Council increase.



### Delivering the Port Health Service

The Council continues to work with Government to set-up the Port Health Service. However there continues to be changes and delays to timescales and the scope of service provision.

## Membership & attendance during the year

The Committee met five times over the course of the year. These meetings were hybrid meetings. While some Members and Officers attended the meeting at the Council offices, Microsoft Teams was used for those attending virtually.

When there is not a lockdown in place, as per Government guidance, Members can only vote in a committee if they are actually in attendance, (i.e., they cannot vote if they attend virtually). All five meetings were quorate (as per the Terms of Reference), including those that attended in person to be able to vote if required.

Attendance for each meeting is set out below.

Members	15 Jun 21	20 Jul 21	05 Oct 21	01 Feb 22	15 Mar 22
Cllr Krause (Chair)	Present	Present	Present	Present	Present
Cllr Buchanan (Vice Chair)	Present	Present	Apologies	Present	Present
Cllr Camp kin	-	-	-	-	Present
Cllr Hayward	*Sent Substitute	Present	Present	Present from item 262	Virtually
Cllr Mulholland	Present	Present	Virtually	-	-
Cllr Ovenden	-	-	Virtually	-	-
Cllr Shorter	Apologies	Present	Present	Present	Present
Cllr Smith	Apologies	-	-	Present	Present
Cllr Spain	-	-	-	-	Virtually
Cllr C Suddards	Virtually	Present	Present	Present from item 262	-
Cllr Walder	Present	Present	Apologies	Present	-
Cllr Wright	-	-	-	-	Apologies
Cllr Harman	*Substitute	-	-	-	-
Cllr Burgess	Visiting Member	Visiting Member	Virtually	-	-
Cllr Forest	Visiting Member	-	-	-	-
Cllr Sparks	Visiting Member	Visiting Member	-	-	-

Officers	15 Jun 21	20 Jul 21	05 Oct 21	01 Feb 22	15 Mar 22
Deputy Chief Executive	Attended	Attended	Attended	Virtually	Attended
Head of Finance and IT	-	Attended	Attended	--	
Accountancy Manager	Attended	Attended	Attended	Virtually	Virtually
Senior Accountant	-	-	-	-	Virtually
Accounts Officer	-	-	-	Virtually	
Head of Planning & Development	-	-	-	-	Apologies
Investigations & Enforcement Support Manager	-	Apologies	-	-	-
Head of Service Port Health	-	-	Attended	-	-
Port Health Manager	-	-	Attended	-	-
Ombudsman Complaints Officer	-	Attended	Attended		Attended
IT Manager	-	-	-	-	Virtually
Compliance and Data Protection Manager	-	-	Attended	-	Virtually
Head of Audit	-	-	Attended	Attended	-
Interim Head of Audit	-	-	-	-	Attended
Deputy Head of Audit	Attended	Attended	-	-	-
Interim Deputy Head of Audit	-	-	-	-	Virtually
Audit Manager	Attended	-	Attended	-	Virtually
External Audit Engagement Manager	Attended	Attended	-	-	Virtually
Member Services	Attended	Attended	Attended	Attended	Attended

There were a few changes to the political balance at the start of 2022. To ensure that the Committee's political balance remained intact, some changes of membership were required during this time.

Of the current Members for 2022/23, six were Members of the committee during 2021/22. This provided some stability, while providing challenge from new Members.

## Key decisions & insights

The reports presented to Members by Officers and External Audit throughout 2021/22 are noted in the table below. They detail what the content of the reports, and Members' action taken where applicable.

### Internal Audit Activity

#### **15 June 2021 – Internal Audit Annual Report and Opinion 2020/21**

The Deputy Head of Audit gave a presentation and introduced the report. This included the progress of the internal audit plan, implementation of management actions, which all contributed to the annual assurance opinion. The Deputy Head of Audit opinion stated that the Council had an effective framework of governance, risk management and internal control for 2020/21, which is a positive opinion.

The Audit Committee noted the internal audit report and annual opinion.

#### **1 February 2022 – Internal Audit Report: Instruction and administrative processes of Legal Services.**

The Interim Deputy Head of Audit presented the report. In September 21, a final internal audit report of the Legal Services Instructions and Administrative Process, was issued with a Weak assurance opinion. The report detailed the findings, recommendations made. Legal Services attended the meeting to provide an overview of action taken so far and to detail further planned actions to address the findings.

The Audit Committee noted the report.

#### **1 February 2022 - Internal Audit Interim and Assurance Report**

The Interim Head of Audit presented the report. It detailed the Head of Audit interim Opinion for 2021/22, closing of the 2020/21 plan, progress against the 2021/22 audit plan, other work, and implementation of agreed actions.

The Audit Committee noted the report.

#### **15 March 2022 – Internal Audit Plan for 2022/23**

The Interim Head of Audit presented the report. It detailed how the audit plan came about, the audits with their indicative scopes, other work to be conducted such as consultancy, planning and how the audit plan will be resourced.

The Audit Committee approved the Internal Audit Assurance Plan, noted that the partnership has sufficient resources to deliver the plan and the annual assurance opinion, and the plan had been compiled independently and without inappropriate influence from Management.

### External Audit Activity

#### **15 June 2021 – Audit Progress Report and Sector Update**

The Audit Manager from Grant Thornton presented the report. They detailed the progress on the audit plan, the timeline for the deliverables for 2020/21 audit, and an update on the planning enquiries including a revision to the ISA (UK) 540 Accounting Estimates.

They also provided a sector update, which included insight into account for grants in the pandemic, finance in the pandemic, and good practice in annual reporting.

The Audit Committee noted the report.

## External Audit Activity (continued)

### 5 October 2021 – Audit Fee Letter

The Accountancy Manager presented the report. It detailed the scale of fees as set by the Public Sector Audit Appointments (PSAA) and confirm the fee should be £74,440 for 2021/22.

The Audit Committee noted the proposed fee for 2021/22 for the final accounts audit.

## Risk and Governance

### 5 October 2021 – Strategic Risk Management

The Compliance and Data Protection Manager presented the report. The report detailed the risk registers for strategic, delivery, financial and compliance risks. It also reported on the emerging risks.

The Audit Committee agreed the assessment of the key controls to manage the risks, and considered the risks associated with the Ashford Port Health Service. In addition, they requested a more detailed report on cyber security to a future meeting in order for the controls to be assessed.

### 5 October 2021- Annual Governance Statement (AGS) – Progress on Remedying Exceptions

The Compliance and Data Protection Manager presented the report. The report detailed the progress to date on the areas previously identified where continued work was required.

The Audit Committee noted the report.

### 5 October 2021 – Annual Report of the Audit Committee

The Audit Manager introduced this item. They explained that the contributions Members had made at a recent workshop had been captured in the report. The report confirmed that the Audit Committee had successfully undertaken its duties during 2020/21.

Members agreed the report, and the Chair of the Audit Committee will present the report to a future meeting of Full Council.

### 5 October 2021 – Corporate Enforcement Support and Investigations Team Annual Report 2020/21

The Head of Finance and IT presented the report. It detailed the work of the Investigation and Enforcement Support Team up to March 2021. It reported that there were 268 investigations and a number of specific campaigns to identify irregularity and fraud, and identified £616k of public funds (£220k relating to the Council).

The Audit Committee noted the report.

### 15 March 2022 – Corporate Risk Register

The Compliance and Data Protection Manager presented the report. The report detailed the risk registers for strategic, delivery, financial and compliance risks. It also reported on the emerging risks, and those where the risk profile was reduced. At the request of the Audit Committee, risks associated with Cyber Security and their mitigating controls was presented to the committee.

The Audit Committee agreed the assessments of key controls to manage the risks. They also considered the risks associated with Cyber Security.

## Risk and Governance (continued)

### 15 March 2022 – Annual Governance Statement (AGS)

The Compliance and Data Protection Manager introduced the report. The report detailed the progress on recommendations from the previous AGS. It also detailed the governance arrangements for 2021/22, with input from the Interim Head of Audit. The conclusion of the report is that governance arrangements remain appropriate, effective, and adaptive to change as circumstances dictated.

The Chair raised at the pre-meeting the adequacy of the Trading and Enterprise Board arrangements and need for them to be incorporated into the New Towns Work and Project Green Projects.

The Audit Committee approved the 2021/22 annual governance statement, subject to the inclusion of the additional work regarding the Trading and Enterprise Board.

## Financial Activity

### 20 July 2021 – Draft Statement of Accounts 2020/21

The Accountancy Manager presented the report. They explained training sessions to Members had taken place to assist them in reviewing and commenting on the accounts. The report presented the draft statement of accounts, which will be used to commence the Public Inspection Period which will begin before the end of July 2021. They will also be passed to Grant Thornton (external audit) to form the basis of the 2020/21 audit.

The report included the Statement of Accounts, Financial Results and Activity for 2019/20, Core Financial Statements, Housing Revenue Account, and Collection fund.

Members noted the draft statement of accounts 2020/21 and support the presentation to External Audit, and for Public Inspection.

### 1 February 2022 – Invitation to become an Opt-In Authority: Public Sector Audit Appointments (PSAA)

The Accounts Officer presented the item. They advised that the Council previously appointed the PSAA in 2016 for five years, and now needs to decide whether to opt in for the next five years, (2023/4 to 2027/28), which was the preferred option. The other option was to appoint the auditors either by themselves or jointly with another council.

Prior to the presentation, the Chair expressed their disappointment in the delay of report from Grant Thornton who was due to present at the now postponed November meeting, and then subsequently this meeting. The Audit Committee were advised the delay is due to resources and a high turnover of staff, which is a problem within the sector not just Grant Thornton. The Audit Manager Grant Thornton extended their apologies for the current position.

The Chair thanked the Audit Manager (Grant Thornton), and proposed that a letter would be sent to Grant Thornton, with the PSAA to be copied in so they are aware of the Council's disappointment

The Audit Committee recommended that the Council become an opted in member of the PSAA. They also resolve to write to Grant Thornton to express their dissatisfaction at the delays to the audits over 2021/22, and to send a copy of the letter to the PSAA for their information.

## Financial Activity (continued)

### 15 March 2022 – Statement of Accounts 2020-21, Findings and Letter of Representation

The Accountancy Manager introduced the report. They advised that the Auditors have substantially completed the audit remotely, were looking to give an unqualified opinion. The report noted an amendment to the financial statements due to an error in classification of low risk / best practice recommendations. The outstanding work on the valuation of the Council's housing stock was due to be completed by the 31/03/22.

The Audit Committee:

- Considered the auditors findings,
- Agreed the bases upon how the accounts had been prepared,
- Approved the substantial audited 2020/21 Statement of Accounts.
- Delegated the authority to the Chair and Chief Financial Officer to agree any further amendments required, but any significant changes to be reported back to the Audit Committee, and
- Approved the Chief Financial Officer's letter of representation to the appointed Auditors.

### 15 March 2022 – Presentation of Financial Statements

The Senior Accountant introduced the report. The report detailed the time scale for sign off of the 2021/22 accounts, was moved to the 30 November. This will relieve some of the pressure on the external audit team. It also stated that an emergency consultation took place, and as such there may be changes to the code that may affect the 2021/22 and 2022/23 accounts. It also stated that the Council can demonstrate that it is still a 'going concern'.

The Audit Committee noted the report, approved the accounting policies for the 2021/22 accounts, and delegated authority to the Head of Finance and IT to make changes to the accounting policies following the emergency consultation.

## Other Work

### 1 February 2022 – Homes England – Compliance Audit Annual Report 2021/22 For Ashford Borough Council

The Development Partnership Manager presented the report. The report details that Homes England selected Ashford schemes for a compliance audit this year. The scheme selected was East Stour Court. The audit took place between the 11th and 20th August 2021, and awarded the Green Grade with no breach of funding conditions or recommendations for improvement.

The Audit Committee noted the report and wished to put on record their thanks and gratitude to Officers for a successful audit.



## Development of Audit Committee

During the year the Committee has received formal training from Officers on understanding the Council's Statement of Accounts. In addition, Members have received further information on the Council's Port Health operations and Cyber Security processes to support the Committees understanding of how these key risks are managed.

As a Committee Members are keen to ensure they continue to develop, and ideas to support this were explored during a workshop held with Committee Members in September 2022. The following ideas for future development were agreed:

- Undertake a **peer review** of the functioning of the Audit Committee to be facilitated by Mid Kent Audit across the partnership authorities. It was considered that this would be useful to support potential changes in Membership following the May 2023 elections.
- Introduce an **induction programme** for all new Committee Members which covers the key aspects and functions of the Audit Committee. Additionally, have a **buddy** system so new Members of the Committee can be supported by Members with experience on the Audit Committee.
- Have a programme of **briefings** delivered to Committee Members during the year which includes topics like: internal audit, external audit, risk, and the annual governance statement.

Audit Committee will also continue to request further details on, and understanding of, the Council's key risks, with risk owners invited to attend a Committee meeting and present on their risk area.

## Conclusion

The Audit Committee, in partnership with the Council's Internal and External Auditors, and with the support from Officers has provided robust and effective independent assurance to the Council on a wide range of risk, governance and internal control issues.

It is our conclusion that we can demonstrate that we have appropriately and effectively fulfilled our duties during 2021/22.

## Appendix 1 - Terms of Reference & Responsibilities

The purpose of an Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process (Minute No. 408/12/06 refers).

To consider/monitor or advise the council as appropriate upon:

### Audit Activity

1. The Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's Corporate Governance arrangements.
2. The summary of internal audit reports issued in the previous period.
3. Reports on the management and performance of the Audit Partnership Agreement.
4. Reports from the Head of Internal Audit on agreed recommendations not implemented within a reasonable timescale.
5. The External Auditor's Annual Management Letter and relevant reports.
6. Any detailed responses to the External Auditor's Annual Letter.
7. Specific reports as agreed with the External Auditor.
8. The scope and depth of external audit work and to ensure it gives value for money.
9. Liaison with the Audit Commission on the appointment of the Council's External Auditor.
10. The commissioning of work from internal and external audit.

### Regulatory Framework / Risk Management

11. An overview of the council's Constitution in respect of Contract Procedure Rules and Financial Regulations.
12. The effective development and operation of financial management, risk management and those elements of corporate governance within the remit of the Audit Committee.
13. Council policies on "raising concerns at work" i.e., whistle-blowing in the context of the Anti-Fraud and Anti-Corruption Strategy and the council's complaints process.
14. To recommend the Authority's Annual Governance Statement for approval to the Executive. (Minute No. 531/5/10).
15. The council's compliance with its own and other published financial standards and controls.
16. The External Auditor's report on issues arising from the Audit of the Accounts.
17. The ability to refer matters to the Overview and Scrutiny Committee for their consideration (Minute No. 62/6/09).

**Note:** The Overview and Scrutiny Committee has a similar provision to refer matters to the Audit Committee.

## Delegations

To exercise the powers and duties of the council relative to: -

18. The approval of the Annual Statement of Accounts in line with the statutory requirements including those relating to the publishing deadlines. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the Audit that need to be brought to the attention of the council.

## Quorum:

One quarter of the total membership.

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# Agenda Item 8



ASHFORD  
BOROUGH COUNCIL

**Agenda Item No:**  
**Report To:** Audit Committee  
**Date of Meeting:** 4 October 2022  
**Report Title:** Audit Fee 2022/23  
**Report Author & Job Title:** Monica Hutanu  
Senior Accountant  
**Portfolio Holder** N/A  
**Portfolio Holder for:**

**Summary:**

This report details the proposed auditor and scale fee as set by Public Sector Audit Appointments (PSAA) who the Council have appointed to procure External Auditors and confirm they are proficient in relation to legislative requirements.

The PSAA also act as a regulator to confirm that any fee variations raised by external auditors are fair and appropriate and in line with regulation.

The PSAA have confirmed the appointment of Grant Thornton for the 2022/23 Audit and set a standard fee for core work of £53,939. The audit fee for core work has increased by £4,700 compared to the prior year due to recurring approved fee variations as can be seen in Table 2 in the attached PSAA letter.

However, since these fees were set in 2018/19, additional work has become necessary to satisfy FCA (Financial Conduct Authority) requirements. As in previous years these additional requirements are anticipated to be in the region of £24,000.

Therefore considering the core fee and anticipated additional works the budget for the 2022/23 External Audit should be set at £77,939.

The letter from the PSAA confirming core scale fee for the 2022/23 audit is attached.

2022/23 will be the last year of the current PSAA audit procurement contract.

**Key Decision:** No

**Significantly Affected Wards:** None

**Recommendations:** The Committee is recommended to:-

- I. **Note the proposed Fee for the 2022/23 Final Accounts Audit.**

**Financial**

**Financial Implications:**

The Audit fee and budget of £77,939 needs to be set and is within existing budget.

**Contact:**

Monica.hutanu@ashford.gov.uk – Tel: (01233) 330520

## 2022/23 scale fee for Ashford Borough Council

PSAA is [consulting on the fee scale for 2022/23 audits](#). Your proposed scale fee based on the consultation proposals is set out below.

Our aim is to keep your audit fee as up-to-date as possible based on the most recent information we have available. We propose setting your 2022/23 scale fee by updating your 2021/22 scale fee with the most recent recurring fee variations we have approved in relation to your audit. Table 1 below provides a summary of your proposed 2022/23 scale fee.

**Table 1: 2022/23 scale fee summary\***

2021/22 scale fee	£49,239
Recurring approved fee variations for consolidation into 2022/23 scale fees (see Table 2)	£4,700
<b>2022/23 scale fee</b>	<b>£53,939</b>

\* Please note: the fee scale consultation also refers to the contractual inflationary increase in auditor remuneration, which PSAA proposes to fund from monies that would otherwise be part of a future distribution to opted-in bodies. Further details are set out in the consultation.

In line with the Appointing Person Regulations, we cannot change your 2022/23 scale fee after 30 November 2022. Any further recurring fee variations or changes approved after 30 November will therefore be considered in a future fee scale.

We will not be consolidating additional fees needed for work on the VFM commentary and ISA 540 into the 2022/23 scale fee as we do not currently have sufficient information to enable us to do so. The additional work will continue to be subject to the fee variation process and consolidated into a future fee scale when the evidence base is sufficiently robust.

Table 2 below sets out the fee variations approved to date for your audit over the three audit years 2018-21 in respect of additional work performed on groups, pension valuations, PIE, PPE valuations, increased FRC challenge and PFI (left-hand side of Table 2). These figures are taken from the Fee Variation Statements we have sent you for approved fee variations.

The fee variations shown for each of the three audit years are not necessarily final figures. In some cases, for example, where audits have yet to be completed, further fee variation claims are expected. The recurring elements of any further fee variations approved will be addressed in future fee scale consultations.

The proposed aggregate value of recurring fee variations to date for consolidation into your 2022/23 scale fees is shown in column A of Table 2 and is based on the most recent approved fee variations for your audit.

Sometimes fee variations can be a combination of recurring and non-recurring work. We have reviewed each fee variation to identify the recurring element/s within the categories and so the aggregate recurring element may differ from the lefthand side of the table (the figures included in your Fee Variation Statement).

Some of these recurring fee variations may have already been consolidated within your scale audit fee. Where this is the case relevant figures are shown in column B. The balance of any recurring fee variations (A minus B) which have not yet been consolidated are shown in column C. These are the additional fees which we propose to incorporate within your 2022/23 scale fee.

**Table 2: Summary of recurring approved fee variations for consolidation into 2022/23 scale fees**

Fee variation area of work	Approved fee variations			Proposed aggregate recurring value for consolidation into 2022/23 scale fees	2018/19 already consolidated into 2021/22 scale fees	Recurring approved fee variations for consolidation into 2022/23 scale fees
	2018/19	2019/20	2020/21			
Group	-	-	-	-	-	-
Pension valuation	£1,200	£1,750	-	£2,187	£1,200	£987
PIE	-	-	-	-	-	-
PPE valuation	£1,600	£1,750	-	£2,188	£1,600	£588
Increased FRC Challenge	-	£2,500	-	£3,125	-	£3,125
PFI	-	-	-	-	-	-
<b>Total approved fee variations for recurring categories</b>	<b>£2,800</b>	<b>£6,000</b>	<b>-</b>	<b>£7,500</b>	<b>£2,800</b>	<b>£4,700</b>



## Audit Committee - Future Meetings

**2022/23**

<b>Dates to Note</b>		
Date of Meeting	<b>04/10/2022</b>	
Publication of Agenda Date	22/09/2022	
Reports to Management Team	01/09/2022	
Full Council	20/10/2022	
<b>Items for Inclusion on the Audit Agenda</b>		
<b>Part I - For Decision</b>		
1	Corporate Risk Register (on agenda every six months)	CH
2	Annual Governance Statement – Progress on Remedying Exceptions	CH
3	Corporate Enforcement Support & Investigations Team Annual Report 2021/22	DD
4	Annual Report of the Audit Committee	AB
5	Audit Fee Letter	MH
<b>Part II - Monitoring/Information Items</b>		
7	Audit Progress Report	Gr Th
8	Report Tracker & Future Meetings	KM

<b>Dates to Note</b>		
Date of Meeting	<b>29/11/2022</b>	
Publication of Agenda Date	17/11/2022	
Reports to Management Team	03/11/2022	
Full Council	02/03/2023	
<b>Items for Inclusion on the Audit Agenda</b>		
<b>Part I - For Decision</b>		
1	Statement of Accounts 2020/21 and External Auditors Findings	LF
2	Homes England – Compliance Audit Annual Report for Ashford Borough Council	MJ
3	Section 106 Audit – Weak Assurance Report – Follow Up	AB/SC
<b>Part II - Monitoring/Information Items</b>		
4	Internal Audit Interim Report	AT/JH
5	2021/22 Audit Plan (External Audit)	Gr Th
6	Audit Progress Report	Gr Th
7	Report Tracker & Future Meetings	KM

<b>Dates to Note</b>			
Date of Meeting	<b>21/03/2023</b>		
Publication of Agenda Date	09/03/2023		
Reports to Management Team	02/03/2023		
Full Council	20/04/2023		
<b>Items for Inclusion on the Audit Agenda</b>			
<b>Part I - For Decision</b>			
1	Corporate Risk Register (on agenda every six months) including update on APH risk register and focus on Cyber Security	CH/RJ	
2	Approval of Annual Governance Statement	CH	
3	Internal Audit and Assurance Plan 2023/24	AT	
5	Statement of Accounts 2021/22 and External Auditors Findings	LF & Gr Th	
6	Presentation of Financial Statements	MH	
<b>Part II - Monitoring/Information Items</b>			
8	Report Tracker for Future Meetings	KM	

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