



## AUDIT COMMITTEE

Notice of a Meeting, to be held in the Committee Room 2 - Ashford Borough Council on Tuesday, 19th July, 2022 at 5.00 pm.

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The Members of the Audit Committee are:-

Councillor Krause (Chairman)  
Councillor Buchanan (Vice-Chairman)

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

### Agenda

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| 1. | <b>Apologies/Substitutes</b>   |         |
|    | To receive Notification of Substitutes in accordance with Procedure Rule 1.2(iii)                      |         |
| 2. | <b>Declarations of Interest</b>  | 1 - 2   |
|    | To declare any interests which fall under the following categories explained on the attached document: |         |
|    | a) Disclosable Pecuniary Interests (DPI)   |         |
|    | b) Other Significant Interests (OSI)   |         |
|    | c) Voluntary Announcements of Other Interests  |         |
|    | See Agenda Item 2 for further details  |         |
| 3. | <b>Minutes</b>   | 3 - 6   |
|    | To approve the Minutes of the Meeting of this Committee held on 21 <sup>st</sup> June 2022.            |         |
| 4. | <b>Draft Statement of Accounts 2021/22 - To Follow</b>   |         |
| 5. | <b>2021 Auditors Annual Report</b>   | 7 - 38  |
| 6. | <b>Report Tracker and Future Meetings</b>  | 39 - 42 |
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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 **21<sup>st</sup> June 2022**.

### **Present:**

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

Cllrs. Ledger, Shorter.

In accordance with Procedure Rule 1.2 (c) Councillor Ledger attended as Substitute Member for Councillors Hayward.

### **Apologies:**

Cllrs. Campkin, Hayward.

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

Cllrs. Spain, Ovenden, Wright.

Accountancy Manager, Senior Accountant.

Audit Manager – Grant Thornton UK

### **In attendance:**

Deputy Chief Executive, Director of Customer, Technology and Finance, Senior Member Services Officer.

## **56 Declarations of Interest**

<b>Councillor</b>	<b>Interest</b>	<b>Minute No.</b>
Shorter	Made a Voluntary Announcement as he was the Portfolio Holder for two of the items on the agenda.	58, 59

## **57 Minutes**

### **Resolved:**

**That the Minutes of the Meeting of this Committee held on the 5<sup>th</sup> April 2022 be approved and confirmed as a correct record.**

## **58 Internal Audit Annual Report & Opinion 2022**

The Deputy Chief Executive introduced the item. Unfortunately due to illness the Interim Head of Internal Audit had been unable to attend the meeting, therefore he would introduce the item and endeavour to answer any questions Members had.

Over the past 12 months the service had seen considerable change with the departure of both the Head and Deputy Head of Internal Audit. Following this, there was the appointment of an Interim Head and Deputy Head of Internal Audit, with the recruitment of a permanent Head of Internal Audit having concluded recently and an appointment being confirmed this week. Attention was drawn to Project Clean Sweep, a strategy put in place by Mid Kent Audit to deliver as much of the 2021/22 planned work and to ensure that there would be no knock-on effect on the delivery of the 2022/23 audit plan. The Deputy Chief Executive wished to highlight the success of Project Clean Sweep and the dedication of the Audit Team who rose to the challenge. There had been one “weak” assurance rating given during the year for Section 106 Income, this had been reported to the Committee and a follow up would be reported later in the year.

The Chairman felt that only one “weak” assurance rating was positive. He drew attention to the Head of Audit Opinion statement for 2021/22 as contained within the report. Further, he wished to put on record his personal thanks to the Interim Head of Audit Partnership and his team and the Director of Customer, Technology and Finance and her team for all the work they had undertaken during this period.

A Member questioned whether references in the report to delays due to Covid were considered a valid excuse in 2022. He further questioned what was being done to remedy the staffing issues experienced in the service. The Deputy Chief Executive acknowledged the point in respect of Covid and noted that moving into the “new normal” meant that new ways of working had been established and it was down to the service to determine how they operated, whether that be a hybrid method, in office or virtually. There had been a high staff turnover during the period in question, interim management had been put in place and an appointment had now been made to the Head of Audit Partnership role.

A Member questioned whether Ashford was in a comparable position with the other Authorities in the partnership, in respect of audit assurance ratings and competition for audits/time. The Deputy Chief Executive advised that it would be difficult to comment on the audit opinions for other Authorities. He could confirm that there was no competition for audit attention. Further, he confirmed that other 151 Officers within the partnership had not reported any issues.

Making reference to the turnover of Mid Kent Audit, a Member felt that it had been a “perfect storm” and the continuous professional development of staff that had been encouraged by the previous Head of Internal Audit should be continued. He endorsed the Chairman’s thanks to the Interim Head of Internal Audit.

**Resolved:**

**That**

- (i) the Committee notes the Internal Audit Report and Annual Opinion. The opinion states that, for the 12 months ending 31 March 2022, the Council operated an effective framework of corporate governance, risk management and internal control.**

- (ii) **the Committee notes that the work to support the opinion was completed with sufficient independence and in conformance with Public Sector Internal Audit Standards.**

## **59 Informing the Audit Risk Assessment 2021/22**

The Senior Accountant introduced the item. She advised that as part of the Audit Risk Assessment the Council's External Auditors were required to obtain an understanding of management processes and the Council's oversight of the following areas; management, fraud, laws and regulations, related parties, going concern and accounting estimates. The purpose of the report was to contribute towards effective two way communication between the Council's External Auditors and the Audit Committee. There was one small addendum to note, the date contained within the recommendation should read 2021/22.

A Member drew attention to question 11 in the report in respect of related party transactions that could give rise to instances of fraud and noted that the second question, how would such risks be mitigated was silent. He requested that this be answered comprehensively next time.

Referencing the delay to the fully operational date for the Border Control Post at Sevington, a Member questioned whether this would cause additional financial and operational risks to the Council. The Deputy Chief Executive advised that the costs to date had been met by Defra. Once operational haulers would be charged for the services provided which would cover the cost of running the facility, it would effectively be self-funding. Delays to the commencement of operation had been unfortunate but Defra had funded the cost during that period. There was a requirement to bid for such funding however the Council had previously been successful and were awaiting a further announcement. Members were mindful that this matter was routinely discussed at Management Team and was on the Corporate Risk Register.

### **Resolved:**

**That the Audit Committee confirms that the management responses within the "Informing the audit risk assessment for Ashford Borough Council 2021/22" document are consistent with its understanding.**

## **60 External Audit Progress Report**

The Audit Manager – Grant Thornton UK introduced the report. It set out the current position and an updated position on the 2020/21 audit which was unfortunately still awaiting finalisation. Due to capacity constraints they had been unable to finalise the financial statements audit for that period ahead of this meeting, however he hoped that it would be ready to be presented at the July meeting of the Committee. Moving to the 2021/22 audit he advised that the substantive work would commence in October with completion in December.

Members expressed their frustration and disappointment at the delays to the completion of the 2020/21 financial statements audit and strongly counselled that it be presented to the next meeting of the Committee. Further, they noted that the

report provided a generic statements rather than Ashford specific statements and reflections. Discussion was had regarding writing to the PSAA to follow up on the Committees previous letter relating to the performance of the External Auditor and it was proposed that a follow up be written and sent on behalf of the Committee.

The Audit Manager – Grant Thornton UK offered his personal regret for the situation and advised that they were trying to conclude the 2020/21 audit as a matter of urgency.

The Deputy Chief Executive advised that a management response had been sought and sent the previous week to Grant Thornton, it was hoped that would bring the matter to a conclusion and the audit and accounts could be presented to the Committee at the same time. He drew attention to the findings in respect of the Housing Benefit Assurance Process which for 2020/21 did not identify any errors. This was a great achievement and those involved should be applauded for all their hard work.

**Resolved:**

- (i) That the update be received and noted.**
- (ii) That a letter be sent to the PSAA further expressing the Committee's concern at the delays to the completion of the 2020/21 Financial Statements Audit.**

## **61 Report Tracker & Future Meetings**

The Senior Member Services Officer advised that the Section 106 Income – Follow Up would be presented to the Committee at the November 2022 meeting.

The Chairman reminded Members of the 'Statement Of Accounts' training session that was scheduled for 12<sup>th</sup> July via Teams.

# Auditor's Annual Report on Ashford Borough Council

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020-21  
June 2022



# Contents



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.




# Executive summary

## Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under specified criteria. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. For 2020/21, we also considered the Council's arrangements in light of the COVID pandemic. Our findings are summarised in the table below.

Criteria	Risk assessment	Conclusion
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made

-  No significant weaknesses in arrangements identified or improvement recommendations made.
-  No significant weaknesses in arrangements identified, but improvement recommendations made.
-  Significant weaknesses in arrangements identified and key recommendations made.



### Financial sustainability

We are satisfied the Council has appropriate arrangements in place to ensure it manages risks to its financial sustainability. The strong reserves position of the Council provides comfort over the risks to financial resilience, at least in the medium term. Both the annual budget and the medium-term financial plan clearly link to the Council's corporate objectives. We have not identified any risks of serious weaknesses. We have identified one opportunity for improvement around communicating the differences between discretionary and statutory spend to stakeholders



### Governance

Overall, we found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. We have identified some improvement recommendations around forward planning to fund medium term gaps and the register of members interests.



### Improving economy, efficiency and effectiveness

Overall, we found no evidence of significant weaknesses in the Council's arrangements for achieving economy, efficiency and effectiveness, but have identified some improvement recommendations around the use of benchmarking, corporate monitoring of commercial investments, the procurement strategy and contract monitoring.



### Opinion on financial statements

We are working to complete the financial statements audit.



# Commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:

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## Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on each of these three areas, as well as the impact of Covid-19, is set out on pages 26 to 27. Further detail on how we approached our work is included in Appendix B.



# Financial sustainability



## We considered how the Council:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## 2020/21 revenue financial performance

Despite the challenging landscape during 2020/21, Ashford Borough Council had an outturn surplus in the general fund (GF) of £168,097 compared to the £75k surplus forecasted earlier in the third quarter. The Housing Revenue Account (HRA) reported a surplus of £3.479m against the budgeted deficit of £630k, compared to an overspend of £232k in the previous year. The reason for the significant outturn change on HRA compared to plan was mostly due to underspend against repairs and maintenance and delays in capital expenditure because of the impact of Covid-19. It should be noted that all the delayed works will be re-profiled into 2021/22.

The General Fund surplus was enabled by various government support packages issued to mitigate the effects of Covid-19, and other measures such as a recruitment freeze during the pandemic, which allowed for significant revenue savings of around £1.5m.

Due to the Pandemic, the Council and other local authorities both locally and nationally, faced additional spending pressures to support residents and communities. It also faced significant lost income across some services, due to reductions in activity because of lockdown measures.

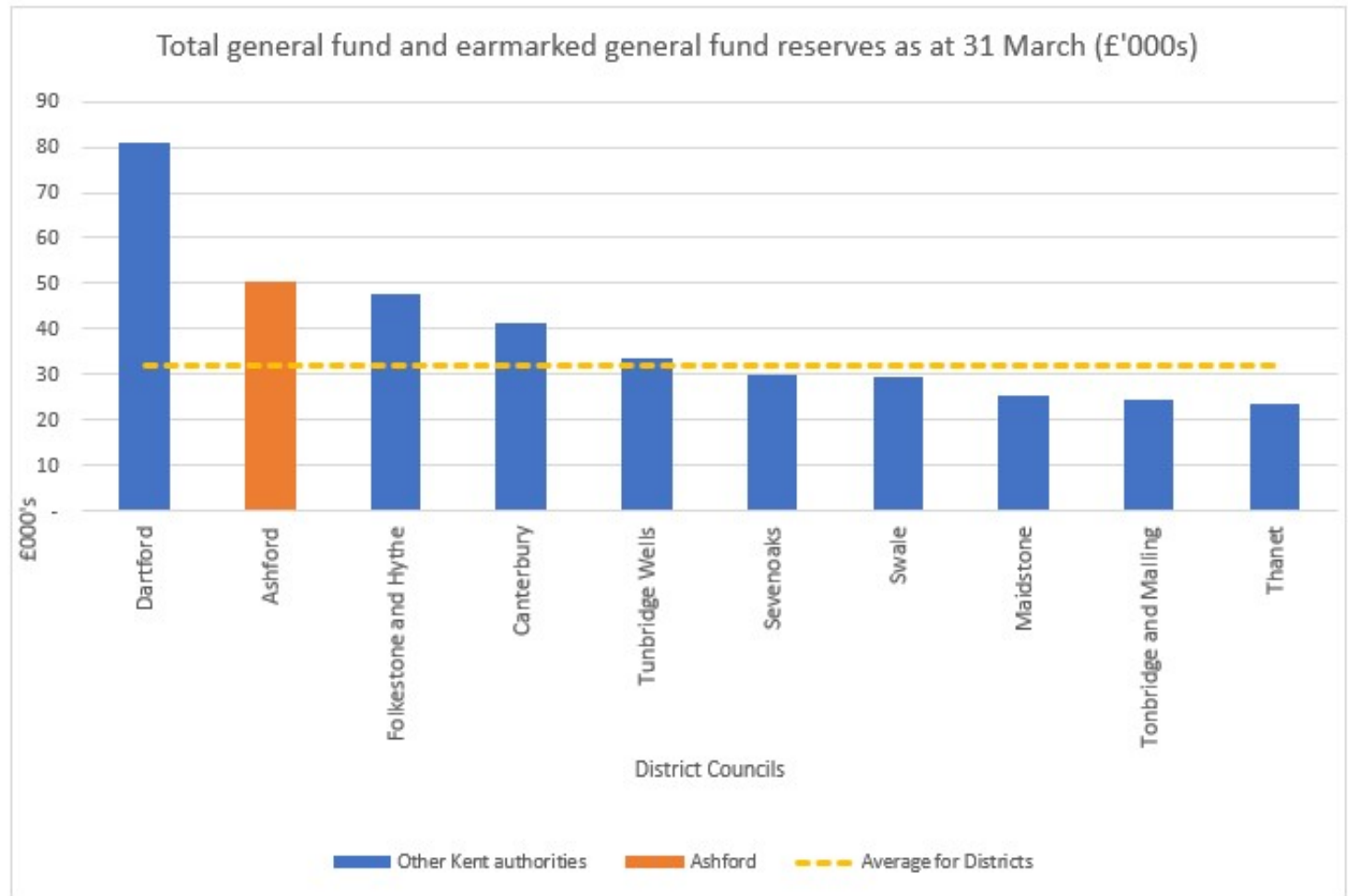
The Financial impact of Covid-19 was reported to the Cabinet in May 2020, with an anticipated £4.5m budget pressure on the Council's general fund due to loss of income from sources such as car parking, leisure centres and others. The budget pressure was mitigated by the combination of use of reserves; some cost saving measures, such as limiting staff recruitment; provision of around £2.5m of general Covid Support Grant funding and a package of around £1.87m sales fees and charges compensation, received from central government to mitigate the impact of the pandemic.

The Planning Service has been under pressure with regards to staffing for several years due to skills shortages in the market, which led to the use of consultants for operational activities. However, there is an ongoing recruitment process being carried out to fill the new planning structure, of which £250k of change management funds has been utilised so far. The savings of £600k in planning salaries was offset by £454k of agency staff costs. The Overview and Scrutiny Committee task group suggested an increase to the service contingency reserve by £150k to support any pressures emerging in the planning service during the transitional period of the new structure. There is an ongoing plan by the Council to find alternative solutions to permanent workforce challenge with regards to the new planning structure in reducing the ongoing pressure within the service.

Other service areas performed well, for example, garden waste charging generated an additional £160k in receipts, an increase in bulky waste collections generated £33k of additional income and bins sales to developers delivered £42k.

**Reserves**

Ashford currently have a healthy level of reserves. The overall amount of earmarked reserves increased by £21m in year which included £13m to fund Ashford's share of the collection fund deficit and £4.2m for Ashford Port Health. In comparison to other local authorities, Ashford Council's general fund reserves figures are above average for a district council and is one of the strongest levels within Kent. The additional growth in reserves has enabled the Council to review its overall reserves position and make provision for future economic risks, funding to support emerging gaps in the MTFP, and fund the new corporate plan and carbon neutrality strategy. The MTFP relies on the utilisation of reserves into future years, with some £18m (net) used cumulatively in 2021/22 and 2022/23. The forecast reserve position as at 31 March 2023 is some £32m. The level of reserves should continue to be closely monitored through the life of the MTFP.



## Capital Expenditure and Borrowings

Capital expenditure was lower than expected due to Covid-19, as a result, the £3.325m allocated from the revenue fund was unused. The capital works is being re-profiled into 2021/22 due to delays in capital spending, which resulted in an underspend of £2.591m.

The Council's capital expenditure plans focus on regeneration projects such as the Vicarage Lane Car Park Redevelopment and the Newtown Works, which clearly link to the ambitions to focus on targeted growth, becoming a green pioneer and a 'Caring Ashford' as set out in the Council's Corporate Plan .

The short-term borrowing strategy adopted by the Council was deemed to be more cost effective due to short-term interest rates being much lower than long-term rates, which resulted in a reduction of £1.3m in borrowing costs to the Council. Specific provisions are made in 2021/22 budget to borrow £500k for general fund property works and £2m for strategic acquisitions which must be supported by a business plan. The Council is looking at developing a commercial strategy and providing additional borrowing facilities of £50m for the property company, which it anticipates should generate additional income with an overall target of £1m per annum in future.

## Managing risks to financial resilience

The Council have incorporated uncertainty into its financial planning, with risks built into all elements of the MTFP, and outlined for members in Cabinet papers. The Council also use reserves to incorporate risk mitigation into financial planning and these risks are advised to members for consideration.

There is no evidence of the Council failing to update financial plans to acknowledge changes in government policy as any known changes are built into the draft and final MTFP planning process. The Council have earmarked reserves held for specific purposes, to support the Council's recovery plan and the economic risks arising because of Covid-19. An example is the Economic Resilience Reserve which has been put in place to deal with potential changes as a result of the fair funding review, changes to New Homes Bonus allocations and business rates.

## Savings plans

The 2020/21 budget was balanced through savings in services, amounting to £600k, with a target set at £50k per service. Savings schemes are built up from each service area and consolidated into the MTFP. The Heads of Service of each directorates are responsible for their savings plans and delivery of savings targets. The savings delivery is monitored both at the directorate and corporate level through regular monitoring reports.

The Council aim to achieve corporate savings of £3m over the next few years of which savings of £2.3m were identified for 2021/22 in order to achieve a balanced budget. The Overview and Scrutiny Budget Task Group in February 2022 have highlighted to Cabinet, areas of pressure, particularly in the Planning and Development Service which may struggle to meet targets due to current costs of consultants within this area. This will be required to be monitored closely to ensure delivery.

Generally, we find the Council manages savings development and their delivery well and there is a high level of understanding of its budgetary position, budgetary pressures and any savings required. There is an established process by which the budget is reviewed regularly, and issues are reported on a timely basis to those charged with governance.

## Improvement recommendation

Statutory and discretionary spend is not clearly differentiated in the financial planning reports which underlie the budget and MTFP. After years of savings at local authorities, the Council continually reviews all its services to identify potential savings, including the level of statutory services provided while still meeting its obligations. However, being clear on discretionary spend in its financial planning and reporting, will contribute to its decision making as the Council seeks to balance its annual budgets.

## Budget setting

Financially as well as in many other ways, 2020/21 was a unique year for the Council. Officers acknowledge and have clearly reported to members in the Outturn Report that significantly greater financial challenge will be faced over the medium term. Officers are also conscious that the ongoing trajectory and impact of the pandemic is a significant unknown in accurately forecasting the Council's finances.

Despite the challenges, the Council set balanced budgets for 2020/21 and 2021/22. The process involves input from various internal and external stakeholders, with a public consultation promoted through the Council's online media platforms and website. This is then reviewed by the Overview and Scrutiny Committee, before being presented to the Cabinet for recommendation and final approval by the Full Council.

The budgets are aligned with the Council's other elements of forward planning, including the medium-term financial plan, corporate and recovery plans, with the aim of supporting the Borough through uncertain times and enabling growth. The budget incorporated the balanced General Fund revenue budget for 2020/21 and rise of £5.00 million. It still places the Council at the lowest level for a Band D property for Council tax, staff cost of living increase of 2%, housing rents to increase by CPI+1% as per government policy and revised service fees and charges.

The Council's Housing Revenue Account (HRA) Business Plan sets out the Council's ambition to increase housing provision which will reduce pressure on temporary accommodation. This will require a significant amount of investment to provide new builds and acquire existing properties. This ambition has therefore led to an increase in the HRA budget. This budget clearly ties into the Council's corporate objectives.

We are satisfied there is a clear linkage between the budget, the Medium-Term Financial Strategy and the priorities set out in the Corporate Plan.

## Financial Planning

The Medium-Term Financial plan (MTFP) is updated annually as part of the budget setting process and presented to the Cabinet. The plan is built around current service activities, current levels of government funding and reductions in business rate income. Adjustments are made to the MTFP to reflect the emerging pressures, identified through the budget monitoring process, and to reflect changes in corporate priorities and incorporate new projects/information.

The Council consults with key stakeholders including residents, and local business in arriving at the key assumptions for financial planning. The financial plans adequately reflect the impact of key expenditure drivers such as population changes and demand for services, especially around planning and development services. The Council's financial plans reflect potential pressures in managing inflation cost pressures such as pay and non-pay budgets, as well as incorporation of efficiencies and new sources of income, service fees and charges. A strategic approach is taken to deal with risks proactively, for example, the Head of Environment and Land Management is exploring various options of delivery to manage the additional pressure in the 2023/24 budget due to the impact of retendering the waste contract.

The draft budget was the subject of a comprehensive review by the Council's Overview and Scrutiny Committee and its Task Group, and we noted a recommendation from this process to increase the service contingency reserves by £150,000 to ensure it is both sound and deliverable. It is clear there is a high level of engagement across the organisation in relation to financial planning.

## Conclusion

Overall, we are satisfied the Council has appropriate arrangements in place to ensure it manages risks to its financial sustainability. Its level of reserves provides comfort over the risks to financial resilience, at least in the medium term. And both the annual budget and the medium-term financial plan clearly link to the Council's corporate objectives. We have not identified any risks of serious weaknesses. We have identified one opportunity for improvement. This is set out overleaf.

# Improvement recommendation



## Financial Sustainability

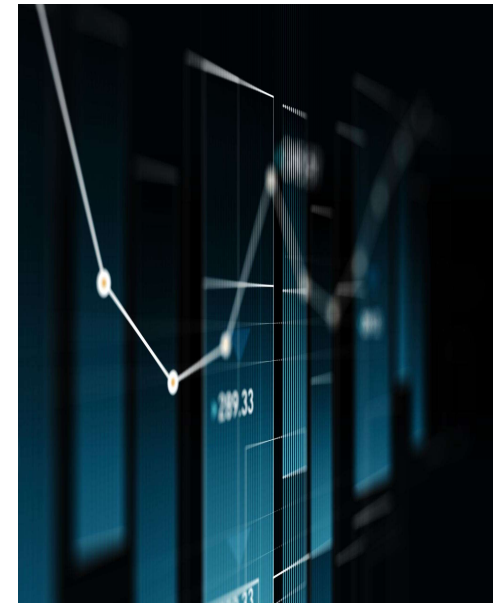
**Recommendation** Statutory and discretionary spend is not clearly differentiated in the financial planning reports which underlie the budget and MTFP. After years of savings at local authorities, the Council continually reviews all its services to identify potential savings, including the level of statutory services provided while still meeting its obligations. However, being clear on discretionary spend in its financial planning and reporting, will contribute to its decision making as the Council seeks to balance its annual budgets..

**Why/impact** This would help residents and members to understand the difference between these types of spending and would help inform them as to any spending which is made because of manifesto pledges or following a decision by the Council to undertake a specific project outside of or in addition to its statutory obligations.

**Auditor judgement** The different categories of spending could be made clearer. Currently it is not apparent whether any of the Council's spending is discretionary.

**Summary findings** No distinction is made in the financial information reported to TCWG between statutory and discretionary spending.

**Management comment** Not agreed. This is not easy to do in practice and would require a huge amount of work for areas that are statutory but are not providing a basic statutory offer. The cost benefit of undertaking this analysis may not justify the work involved.



The range of recommendations that external auditors can make is explained in Appendix B.

# Governance



## We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

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## Monitoring and assessing risk

The risk management governance structure comprises of three levels and demonstrates a consistent corporate standard for risk identification, monitoring and mitigation. The Council uses a collaborative approach to embed risk management into planning, governed by a Risk Management Framework adopted in 2018.

The Council make use of Pentana software to monitor risks, which are reviewed monthly by risk owners within individual service areas and reported to Management Team quarterly on an exception basis. If a delivery risk becomes of strategic significance it is reported to the Audit Committee, along with 6 monthly updates to the Audit Committee on Council's corporate risk register. This ensures that risks are reviewed, monitored, and escalated appropriately. During the financial year internal audit assessed the Council's approach to risk management as 'Sound'.

The Council's Corporate Risk Register is informative with risks categorised as either strategic, operational, financial or compliance related, with scoring outlined clearly on individual risk matrices along with relevant internal controls. Any key changes to the register since the last publication are highlighted in the report to Audit Committee and cover both increased or reduced risk profiles. There are examples of areas where members have asked for further information on specific risks i.e. Cyber Security (March 2022) to fully understand the potential likelihood and impact on the Council if they were to transpire. This is an element of good practice, and we would encourage these 'deep dives' into a specific risk area to be included as part of every 6 monthly risk update.

As the Council now have an updated Corporate Plan 2022-2024, it would be useful to update the Risk Management Framework, which was adopted in April 2018 including the Council's Risk Appetite Statement and Corporate Risk Register to ensure these are aligned with the refreshed objectives.

Additionally, during the 2020-21 year, the Council's Business Continuity Incident Management Team (BCIMT) also met regularly, sometimes daily, to plan interventions in response to both the pandemic and EU Transition. As part of this planning, specific risk registers for each were regularly monitored and mitigating actions agreed. The Council's understanding of and planning for risks appears sound, and well-embedded, and does not demonstrate a risk of serious weakness.

There is an effective internal audit and investigation's function operating at the Council, through the Mid Kent Audit Partnership, and we are satisfied with the standard of work being carried out by Internal Audit, which benefits from comparative work across the partnership. CIPFA completed an external quality assessment of the Mid Kent Audit Partnership in May 2020 which found that it fully conformed to the requirement of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. At Ashford, Internal Audit delivered 317 audit days, compared to the 340 in the revised plan (adjusted Sept 2020) compared with the 430 initial planned days (Mar 2020). This was due to pandemic related delays; however, it was noted that, despite this, 100% of high priority engagements were delivered. The Council received a positive annual audit opinion for 2020/21, and updates throughout the year from its internal audit of a revised and flexible audit plan, to enable it to provide a robust and effective independent assurance to the Council on a wide range of risk, governance and internal control issues.

The Corporate Investigations Team was established 10 years ago following a centralisation of counter-fraud services for Revenues and Benefits. It is made up of experienced investigators and intelligence officers, who provides the Audit Committee with an update of its work within the Finance and IT service annually. The Council has arrangement in place and has continued to develop and exchange information between itself and other agencies on national and local fraud and corruption activity in relation to local authorities. There are various policies in place such as anti-fraud and corruption policy, money laundering policy, Whistle blowing policy, register of interest, hospitality procedures and Regulatory investigators power act policy (RIPA).



## Improvement recommendations

The Council should consider updating the Risk Management Framework, which was adopted in April 2018, the Council's Risk Appetite Statement and Corporate Risk Register to ensure these are aligned with the refreshed objectives.

The Council should also consider presenting the risk register or summary of key corporate risks to the Cabinet as the executive decision-making body to inform its decision making on its key corporate priorities.

## Budgetary Control

The budgets and implementation of efficient savings are monitored throughout the year by way of regular engagement with the budget holders. The Finance Team provide a monthly budget monitoring report to budget holders, and hold quarterly meetings with the management team, to review and challenge services budget movements where they materially differ from the MTFP assumptions. Financial monitoring reports are provided to the Cabinet quarterly, detailing budget pressures or savings and include updates on treasury management activity and reserves movements. This process provides a good balance between enabling operational management to act quickly on variances and keeping members informed, without creating disproportionate administrative burden for the finance team.

All budget holders are consulted about their outturn estimates which forms the basis of the outturn forecasts. Budget holders use the E- financials system to access the finance budget monitoring tool which encourages the culture of budget ownership and responsibilities. The potential benefits and outcome of any new project are tested against corporate objectives and the resources available to support the delivery of the project. The projects within the programme are reviewed at the beginning of the financial year to ensure resources directed towards projects are best to deliver the Council's Recovery Plan.

There are processes in place to adjust and approve budgets in year. Ashford Council do not extensively adjust budgets to match expenditure but prefer to ensure that overspends are offset with underspends, where an ongoing adjustment is required, this is picked up in the next budget build cycle, where appropriate virements and budgets transfers can be approved. Virements are necessary where a cost centre has been split into two, in which case the first budget run would be appropriately apportioned into the second budget run to enable ongoing monitoring.

There has not been any significant unexpected nor unexplained overspends or underspends outside of Covid-19 responses. This spend has been monitored closely throughout the year. An overall net general fund surplus of £168k was made from savings generated from the various services within the Council. We noted one of the key priorities of the Council was to provide temporary accommodation for homeless people at the start of Covid, which added a pressure of £400k to the budget even with the additional grant funding.

## Monitoring and ensuring appropriate standards

The Annual Governance Statement is prepared in accordance with the Council's 2016 Local Code of Corporate Governance and forms part of the Council's financial statements and is reviewed by the Audit Committee and signed off by the Leader and the Chief Executive.

The five key improvements areas identified in the 2019/20 Annual governance statement were reported to the Audit Committee as completed during the 2020/21 financial year, which shows an effective level of governance and monitoring in the Council.

The Council's contract standing orders and KPIs were reviewed and updated to reflect the recovery plan themes, then agreed and adopted by the Cabinet and full Council in July and October 2020. The Council's performance against the set KPIs is monitored by the Executive Leader, the Cabinet and Overview and Scrutiny Committee. Also, a Recovery Plan Monitoring Advisory Group was established to provide Member oversight with these measures together with the actions set out in the Plan on a regular basis.

The Council engaged in various range of surveys such as Homeworking survey, working parents/guardian survey in 2020/21, and Project cake (A return to office and DSE Audit), Bookable desk etiquette, Ashford Port Health staff survey and Hybrid working/ Active Travel staff survey in 2021/22, with the aim of helping the Council to gauge the views of staff and develop better approach in relation to issues relating to staff matters.

An appropriate level of care is taken to ensure the Council's policies and procedures comply with all relevant codes and legislative frameworks. The full council is responsible for any agreement, amendment and oversight of the constitution. There has been no significant departure from key regulatory and statutory requirements or professional standards.

## Conclusion

Overall, we found no evidence of significant weaknesses in the Council's arrangements for budgetary setting process and control but recommended a forward plan on handling future budget gaps and focus given to the budget pressure in the areas such as homelessness as this may impact achieving a balance budget.

## Leadership and Committee effectiveness/decision making

The Council's committee structure is split into five layers with varying responsibilities, and this is made of the Full Council, Cabinet, Overview and Scrutiny, and Regulatory Committee. These committees are governed by the Council's Constitution. The Overview and Scrutiny Committee (OSC) monitors key strategic decisions made by the Cabinet with the aim of challenging and reviewing decisions. The Council makes use of Task and Finish groups (TFGs), which can be set up by the Council, Cabinet or OSC to look at topical issues of importance or concern. Feedback and recommendations are considered by the Full Council and Cabinet before major decisions are taken.

Schedules of key decisions made by the Cabinet or by officers are published shortly after monthly Cabinet meetings, which includes short description of the decision maker, contact details, meeting dates and further information including reports and background papers. Additionally, the Council produce an Annual Report which details performance against the key objectives of the Corporate Plan. This ensures all relevant information is made available to interested stakeholders and showcases the Council's commitment to demonstrating openness, transparency, and personal ownership for decision-making.

The Council uses template reports for decision-making to ensure that all significant considerations including legal, financial, environmental, wellbeing, social value and equalities implications of decisions are addressed. This mitigates the risk of entering into any unlawful act that might lead to exposure to any financial or reputational damage to the Council. The template has recently been revised in order that any legal implications are fully and properly captured, in a more consistent way.

We noted that the Audit Committee's key strength lies in the long membership continuity, experience, and knowledge of both old and new members, who can address technical topics with fresh perspectives and objectives. A formal programme for continued knowledge development was adopted to enhance further training, which was aligned to the terms of reference and key decisions for the committee. There was no evidence of high/unexplained turnover of those charged with governance (TCWG), that might have impacted how the TCWG fulfilled their duties.

The Council's own structures feed into wider partnership arrangements which have been crucial in providing a co-ordinated approach of how to collaboratively work together. We have found no evidence of significant weaknesses in the Council's arrangement for leadership, committee effectiveness and decision making.

## Gift Register / Declaration of Interest

These are governed by the Council's Constitution. We noted how all agendas for council meetings request declarations of interest and the type of interest from attendees. Additionally ad hoc advice on interests is regularly sought by the Monitoring Officer. The Council have in place a register of interests and hospitality which is updated on an ad hoc basis as gifts are received. Staff must complete an online form which is then approved by a manager. They have a dedicated member of HR who manages this process. A yearly reminder is sent to remind staff of the procedure.

This demonstrates a good level of understanding and a culture of compliance with the code of conduct in relation to interests. The Monitoring Officer's annual report each year also deals with the activity under the council's ethical framework.

### Improvement recommendation

*The Council should include a centralised catalogue of members interests, as currently these are piecemeal across the website which makes it difficult to understand the overall nature of interests held.*

### Conclusion

Overall, we found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. We have identified some improvement recommendations.

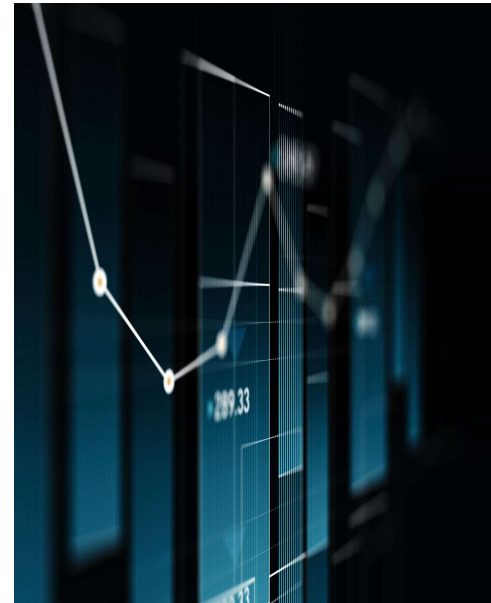


# Improvement recommendation



## Governance

<b>Recommendation</b>	Whilst interests declared by members are available on their individual biographies on the website, the Council should consider the creation of a central, online register of members' interests. This would enable a review of the interests of the Cabinet or of a specific Committee as a whole.
<b>Why/impact</b>	Having to check each member separately is piecemeal and makes it difficult to confirm the overall nature of interests held.
<b>Auditor judgement</b>	It is not immediately apparent if there are several interests or similar interests held by any committee or political grouping.
<b>Summary findings</b>	Whilst there is a full register of members interests made available at the library, this is not available online as a single document. Transparency could be improved by making this information available in a single place online.
<b>Management comment</b>	Agreed.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendation



## Governance

<b>Recommendation</b>	The Council should consider updating the Risk Management Framework, which was adopted in April 2018 , the Council's Risk Appetite Statement and Corporate Risk Register are aligned to the Council's new strategic plans and consider presenting the Cabinet who is executive decision-making body on a periodic basis with the risk register or summary of key corporate risks .
<b>Why/impact</b>	To ensure the Risk Management Framework is aligned with the refreshed objectives and Cabinet makes informed decisions, supported by appropriate evidence and allowing for challenge and transparency.
<b>Auditor judgement</b>	
<b>Summary findings</b>	Although the Audit committee currently gets presented with the Risk register, which then gets reviewed by the Council, it is recommended that the Cabinet should have a periodic oversight of the report and review and update the risk management framework to the new strategic plans. update
<b>Management comment</b>	Agreed. The risk management framework has been updated.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improving economy, efficiency and effectiveness



## We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

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## Performance Monitoring

The Council's focus during the 2020-21 financial year was to respond to the impacts of the Covid-19 pandemic. This therefore paused the development of the next iteration of the Corporate Plan so that immediate focus could be on recovery, which led to the adoption of the Recovery Plan. The Plan is an aspirational tool setting how the Council can embrace the 'new normal'. The work underpinning this plan is rigorous, as is the scrutiny and oversight of its delivery. The Council did not lose sight of its long-term ambitions and have now agreed the Corporate Plan 2022-2024. They are clear that the strategies adopted as part of the corporate planning must remain relevant to its communities and as such, it is reviewed every three years to ensure it remains current and demonstrates that the Council have listened to and responded to its communities.

Along with this the Council developed a suite of performance indicators to reflect the outcomes sought from the Recovery Plan. The review of the KPIs has therefore looked to ensure measures are focused on recovery across the themes of: Organisation Change and Workforce Development; Regeneration, Infrastructure and Placemaking; Community Recovery, and; Economic Recovery.

Performance against these indicators is reported on a quarterly basis to both the Cabinet and the Overview and Scrutiny Committee. In addition, the Recovery Plan Monitoring Advisory Committee reviews the progress and performance of the Plan. This past year, the Council's Directors have held dedicated sessions with Heads of Service to consider key service actions, performance indicators and risks. These are brought together using Pentana, a software designed to provide a holistic and easily accessible overview of the organisation's performance. Pentana has also been used by the Members of the Recovery Plan Advisory Monitoring Group. This has proved an efficient way of sharing information as additional reports have not been required.

## Benchmarking

We noted there are some arrangements in place to benchmark costs and performance against similar bodies. For example, the Council uses the Kent police data from the Anti-social behaviour(ASB) figures for all districts to benchmark Ashford against other Kent districts. We also noted that the Council is undertaking a benchmarking exercise which will be concluded in 2021/22 with regards to PFI and similar contracts. There is not a clear or consistent use of benchmarking against other authorities as a tool to assess the Council's performance or to identify areas for improvement.

We have completed our benchmarking using the GT CFOi platform, which makes use of the annual RO and RA return forms sent by each Council nationally to DLUHC. We have used this data to compare unit costs based on population figures with other Non-Metropolitan Districts. The Council's unit costs per service line within Planning and Development services had very high unit costs in comparison to other local authorities i.e. in the top 20% of spenders of Non-Metropolitan Districts. Planning has been struggling with recruitment of staff, therefore costs in this area are particularly high due to a high level of agency staff. (£454k spent in 20/21). The Council are working with HR to develop an approach to recruitment issues.

## Improvement Recommendation

*The Council should put arrangements in place to benchmark costs and performance against other local authorities to help identify improvements and understand the relationship between spend and outcomes.*

## Commercial Services Strategy

The Council is making ongoing changes on how it handles commercial development and delivers services to support its communities and economy in providing income to protect front line services due to the emerging pressures from cuts in government funding. The commercialisation strategy was endorsed by the Cabinet, with the aim of providing a consistent approach and guidance for the Trading and Enterprise Board Committee in detailing specific work programmes and projects to support its commercial service ambitions. The Council are moving towards a more commercially minded approach to income generation, with the strategy designed to provide overall support service for delivery and form an integral part of the Council's wider recovery plan.

The Council is focussed on strengthening its plans to deliver commercialisation in every area, with the aim of generating income levels or creating cost savings across all services. The introduction of a commercial hub to support and nurture ideas, has led to a more commercial mind-set in how the Council target new clients such as through improved advertising and marketing. This approach has increased income levels in some areas within 2020/21 and a proportion of the increased income has then been set-aside to support further ideas/initiatives. The Commercial Delivery Hub produces an annual delivery plan with the TEB (Trading and Enterprise Board) having an oversight function, which is fed back to Cabinet. The success of the delivery of this, will be measured by a series of key deliverables and performance indicators as part of the performance management framework. These measures are recorded and monitored on Pentana and collate the broad achievements of the individual projects together, providing an overall analysis of impact.

The merits of new opportunities are assessed, and business cases brought to the commercial services delivery hub for initial approval. The chair of the commercial services delivery hub (CSDH) updates the leader and Chief Executive as appropriate on any matters arising, followed by a formal quarterly report to TEB. The Hub Steering Group is ultimately responsible for the delivery of this strand of the Recovery Plan. As such it has set its own action plan and KPIs to enable internal and external review of its progress, which is complemented by a risk management strategy.

The purpose of the Commercial Services Delivery Hub (CSDH) is set up to drive commercial activity and monitor progress against performance targets. The CSDH will include service managers who will be given delegated authority to act in the best interests of the Council, with responsibility for the following services such as CCTV, Lifeline, Parking, Garden Waste and Property. A senior representative from Finance should also be in the hub as will a senior representative from the Mid Kent Audit Partnership.

The projects will be understood by Service Managers and the CSDH to determine how to ensure the required resources are put towards the commercial area, which will be through re-prioritising existing service plans or by bringing in additional external resources for a time-specific period, to be agreed with the Leader and Chief Executive.

The expectation of the Council is to ensure at least 50% of the projects come to financial fruition, with the aim of delivering financial return and contributing to the Council's efficiencies and income targets.

Each of the projects are fully evaluated and progressed as far as the need and market allows, which invariably help to develop required skills to mentor the next generation of staff and projects as they emerge and bearing in mind the Council will aim to reduce unnecessary expenditure.

The strategy and underlying framework are a useful tool to help service managers and staff become more commercially minded in their role and to think about key commercial questions.

The following priority areas identified were seen as activities that will have the biggest net impact on the Council's budget over the next 18 months:

- Lifeline Service – active marketing of the service to increase users.
- CCTV Service – Selling to other LAs, businesses and selling to monitoring centre to other LAs to provide monitoring for their Lifeline Services.
- Parking – using Parking 360 to offer savings to KCC and other district councils by taking over the service other districts currently provide for KCC.
- Garden Waste – increase users following improvements to online ordering and payment system and proactive marketing.
- Category Management and contract management consolidation – drive work to consolidate contracts for efficient procurement and bring contract management across the organisation into a consolidated structure .

## Strategic Partnerships

The Council has worked closely with local and national partners as part of the Covid-19 response. New relationships were also forged across the Borough with local community groups and volunteers, such as Ashford Volunteer Centre. This was vital to the success of delivering support to clinically vulnerable residents and those who had no support network during the pandemic.

There are several examples of the Council working in partnership with other councils. The Council has since 2007/08 been part of an extra care housing Public Finance Initiative (PFI) scheme with Kent County Council and nine other district councils within Kent to provide new homes for vulnerable people which is funded by PFI credits over a 30-year period.

The refuse collection and street cleaning contract entered on the 1st April 2014 is a joint contract with three councils, with the total value of contract estimated at £97m over 10 years, allocated between the three contracting authorities. The refuse collection success rates remained at 99% throughout the year.

The Council's Internal Audit works in collaboration with the Mid Kent Audit, a four-way shared service with Maidstone, Swale and Tunbridge Wells and is governed to provide a shared service board comprising representatives from each council. This service was reviewed by CIPFA in 2020 and found to conform fully with the PSIAS. It was identified that in order to provide even greater insight, the partnership could provide more cross-cutting reviews such as through comparative work across the partnership, and this approach has been agreed to be taken forward into future years.

The Council worked with the Kent and Medway Energy and Low Emissions Partnership to deliver clean air and provides support to the Kent environment strategy working in partnership to ensure the delivery of the cross-boundary action required in the reduction of carbon emissions and tackling climate change.

The Council is an active member of the Ashford Health and Wellbeing Partnership and Community Safety Partnership; which both bring together local partners to deliver shared outcomes. Meetings are held regularly during the year; and are attended by both senior officers and the relevant Cabinet portfolio holder.

The work of Partnerships are fed back to and overseen by the Overview and Scrutiny (OSC) committee. The Ashford Community Safety Partnership provides the OSC with an annual community safety report update to reflect information on current community safety priorities with mitigating actions taken and awareness on emerging issues. The Council have also outlined in the Corporate Plan 2022-2024 how they will continue to work in partnership to achieve aims, with details given of where they will work with leisure operators and local employers.

The Council also works with other public sector bodies to ensure data sharing arrangements work smoothly and in accordance with the General Data Protection Regulation and Data Protection Act 2018 as part of the Kent and Medway Information Sharing Partnership. The Council's own structures feed into wider partnership arrangements which have been crucial in providing a co-ordinated approach to challenging issues. For example, the Council is part of the Kent Resilience Forum, Strategic and Tactical Command Groups who collaboratively developed various contingency plans to mitigate against EU Transition related risks.

## Ashford Border Post

The Council are set to play a vital role in delivering the UK's new trading arrangements through their responsibility for delivering Port Health controls at the new Sevington Inland Border Control Post (BCP) Service. The Ashford BCP will not be fully operational until later in 2022 but will operate a phased approach in collaboration with DEFRA and will operate all year round on a 24 hrs a day.

The BCP financial planning assumes that the fees and charges received will generate sufficient income to run the facility, without reliance on the Council or central government in future, although the service is currently fully funded through a S.31 grants based on estimated number and time taken for checks, staff numbers, training and contingencies etc.

The governance arrangements in relation to the project appear to be robust with the BCP service overseen by an Officer Steering Group (OSG), chaired by the Chief Executive and including lead officers from across the Council, including finance, operations, legal and HR. Meetings take place every fortnight. Additionally, there is also a project manager in place who reports directly to the OSG. Members are provided with regular updates through Cabinet Call Over and the Head of Ashford Border Post liaises with the portfolio holder every 2 weeks to review and challenge issues. However, there were not regular updates to the Audit Committee or Cabinet throughout the year. This may be a consideration once the Border Post is up and running fully, particularly if the service looks to extend a commercial strand in future, to ensure members, have appropriate oversight of risks and performance.

In terms of risk management, the BCP risk register has been aligned with DEFRA's own risk register especially in the areas of financial and operational risks. Contingencies are in place to mitigate against emerging and known risks such as, clarity on legal duties, deficit recovery, savings plans, relationship management and recruitment and retention. There are ongoing communication with DEFRA due to the delays in operating the Port Health Service, resulting in uncertainty over the break-even position for years 2 and 3. Without the assurances from DEFRA to underpin any deficits, the Council could incur a financial loss.

Ashford Port Health reserve was established to capture the £4.2m of remaining grant funding that was provided by Government to establish the Port Health Authority, which will be used to fund BCP costs within 2021/22. Also, BCP aim to set aside savings to cover at least six months of operating fees in case of operational loss.

The Council have worked closely to form positive relationships with both Government stakeholders and Dover DC, with regular meetings at both chief executive and project management levels.

The Inland Border Facility site will also be occupied by other Government Agencies such as Border Force and HMRC, who the port health team will continue to work closely with. Informally there are arrangements to meet with Dover colleagues to share standard operating processes and discuss risks.

Overall, the governance and project management arrangements in place are adequate. The Council have focussed on building positive relationships with stakeholders and have put contingencies in place to help mitigate key strategic risks. The Council continue to monitor the financial viability of the service and focus on proactive recruitment and training of staff.

### Improvement recommendation

*The BCP annual business plan and performance outturn should be reported, reviewed and monitored by the Cabinet, Audit Committee or equivalent to ensure members have sufficient oversight.*

### Stodmarsh Lakes

In July 2020, Natural England issued advice to the Local planning authorities located in the Stour catchment, setting out the deteriorating water quality at the Stodmarsh Lakes. Legal advice was sought by the Council, which confirmed this issue as having significant material consideration in determining planning applications. Subsequently the Council have been unable to grant planning permission for new housing in the Stour catchment area.

The Cabinet agreed in July 2021 to create a new wetlands area to achieve nutrient neutrality, to enable new development through the granting of planning permission whilst according with the habitat's regulations. This has become a significant issue for the Council, resulting in reduction of housing development and an inability to collect s.106 income, due to the 'hold' on granting permissions until strategic wetlands are delivered. This is particularly pertinent, as housing growth is one of the key deliverables of the Local Plan 2030.

The Council continues to explore various options to deal with the nutrient issue, including working with the Environment Agency and Natural England, as well as other affected local authorities, to deliver a catchment wide strategy. The wetland part of the solution is seen as complementary to this wider partnership response. The Council has recognised the risk imposed by this and has appointed expert consultants to help develop a strategy. The risk is included on the Council's risk register and is routinely monitored, and Cabinet are provided with regular reports on the activity in place to try and resolve the current situation.



## A Better Choice Property Limited

One of the objectives of the Council is to generate financial income from commercial activities such as 'A Better Choice Property Limited '(ABCPL) and its subsidiary, A Better Choice for Property Development Limited (ABCPDL) for which it is the sole shareholder. The principal activity is based on acquisition and letting of property in the private rented sector. A Better Choice for Building Consultancy Ltd. had its final Gazette Notice for voluntary strike-off with the Company strike-off dated 21/09/2020, and dissolution on 29/09/2020 having not traded since November 2017.

The company have four directors of which two are external and the other two employed by the Council. The executive team have diverse range of relevant experience and skills. Decisions are made and budgets approved at the company's Board meetings, held monthly. For any major decisions such as new projects or funding requests, approval is required through the Trade and Enterprise Board (TEB) and full Council. Due diligence is undertaken with a business case and is incorporated to the business plan for every new project, which will be provided to TEB to decide whether to fund the development project or not. Performance is also reported here, through the life of each project.

The Company including its subsidiary had equity of £1,084,017 as of 31 March 2021 representing a gain of £479,016 over its original investment value. The potential cost for maintenance and refurbishment does not impact on the Council as ABCPL is self-managed. ABCPL had more void units for longer period than anticipated due to restrictions implemented during the Covid-19 pandemic, however, by August 2020 these had been let out and the occupancy rates have remained high, with only four units left as at the end of 2020/21.

The Council is the shareholder and acts as the bank. The Council has contractually committed to £150m of loans to ABCPL, with current business plan aiming of developing 400-500 properties over the next 5 years, of which £36.6m has been drawn down as 31 March 2021 and are secured against the assets of the business. The Council has considered the history of the loan repayments made by the company and is satisfied that no loan defaults will be made in the next 12 months. The Council has also assessed the entity as low risk and has sufficient cash flows to meet its liabilities, the cash flows of the company have been shared with the Council as sole shareholder of the Company for review. Interest payable on loans and MRP are charged to revenue, offset by any investment income receivable.

The Council adequately reflects the impact of its involvement with ABCPL in its financial planning, including the investments for service purposes, which reflect interest paid on the loan borrowed to fund the ABCPL and interest received. The Council's Oversight Scrutiny Committee focuses on interest receipts from ABCPL, when considering the key components of the budgets which is reported in the Treasury management portfolio as of 31st March 2021 at £1.096m at fair value under the long-term investments.

Although, ABCPL failed to comply with one of its covenants, (cashflow to debt service ratio) which was a breach of the loan agreement, Ashford reviewed and was satisfied with the reasons provided, regarding the breach. However, the company's performance and KPIs should be reviewed and monitored regularly by the committee to ensure issues are dealt with as they arise, which will prevent future breaches to loan agreement.

### Improvement recommendation

Whilst the Council are provided with individual business plans for each of ABCPL's projects, it would be useful for the company to produce an Annual Business Plan to ensure that individual projects fit within the company and the Council's broader vision. This should help underpin effective financial planning and growth strategy. Individual project plans can then be assessed against the achievement of key aims.

## Procurement and Contract Management

The Council have a procurement strategy in place, although this was last updated in 2012. Contract standing orders (CSOs) were reviewed in July 2020 by the full Council. This was undertaken after identification of key improvement areas, to amend the financial thresholds, review delegations and update the document in line with current legislation. The procurement and contract manager in consultation with the head of Legal and Democracy, and the Head of Finance and IT review the financial limits in the contract procedure rules at least every 5 years. Going forward this should include a review of all procurement policies and procedures, to ensure they are reviewed and updated on a timely basis. The Council should ensure the Procurement Strategy is updated and a Social Value Policy developed alongside it.

The Council operates a strong culture of devolved responsibility in procuring services, therefore the current model of procurement and contract management as specialist function was still in its infancy at the Council during 2020/21. Despite this, progress has been made since the Council's internal review in March 2018. There are Procurement and Contract toolkits in place, with individual category strategies currently under development. The team is starting to focus further on commercialisation, through the introduction of categorisation management, and improved oversight at a corporate level of all procurement activity rather than sitting within individual directorates. This is being introduced with the aim of developing efficiencies and securing savings. To support this the Council have strengthened capacity in the Procurement Team with appointment of a first contract officer in 2019 and second during 2021/22.

Currently the Council's contract procedure rules allows officers to procure their own contractor or supplier up to £25k. This has not been regularly monitored, however the Council has plans in place for the procurement team to work more closely with Finance to ensure these costs are monitored monthly. This review is to understand the cumulative spend within categories and address with the officers if spend is particularly high or efficiencies could be made across the organisation. This will also make it easier to ensure compliance with threshold limits and understanding of exceptions.

The use of e-tendering is aimed to reduce paperwork and create efficiency and effectiveness. The Council is also looking at opportunity of working with consortiums and partner with other councils and public bodies to ensure efficiency savings, by implementing local business portal on its website as a gateway, to facilitate and encourage collaboration between local SME's and social enterprises to compete for larger contracts and develop a structured approach to training staff on to bid successfully. The Council also make use of expert advice, when necessary, such as with the delivery of the Port Health Service, which required resources and expertise to be brought in to manage and deliver a project of significant scale and complexity, including a large-scale recruitment and onboarding programme.

In relation to contract management, contract officers provide guidance and support to the directorate level project manager or contract lead, to help resolve any issues arising with service providers. This involves regular meetings with project leads and where necessary implementation of improvement plans, monitoring of action plans and training. However, the Council do have two major contracts in procurement stage, namely with the Leisure Service Operator and Joint waste Contract with Swale and Maidstone Borough Councils. Our interview with procurement did not identify any performance issues in year but highlighted that these are contracts with particularly complex performance monitoring and many KPIs. Currently there is no over-arching standardised reporting to management team and heads of Service on contract management as this tends to be reported on a piecemeal and on ad-hoc basis. A more regular, standardised approach should be embedded to ensure that any contracted performance issues are picked up in a timely manner, with provision of expert support to mitigate potential risks to the Council.

### Improvement recommendations

The procurement strategy should be updated more regularly, along a 3–5-year timeline. The Council should also develop and publish a Social Value Policy to sit alongside this.

Contract monitoring should take a more standardised approach, with regular reports provided to Heads of Service and monitoring of contract KPIs included as standard.

### Conclusion

Overall, we found no evidence of significant weaknesses in the Council's arrangements for achieving economy, efficiency and effectiveness, but have identified some improvement recommendations.

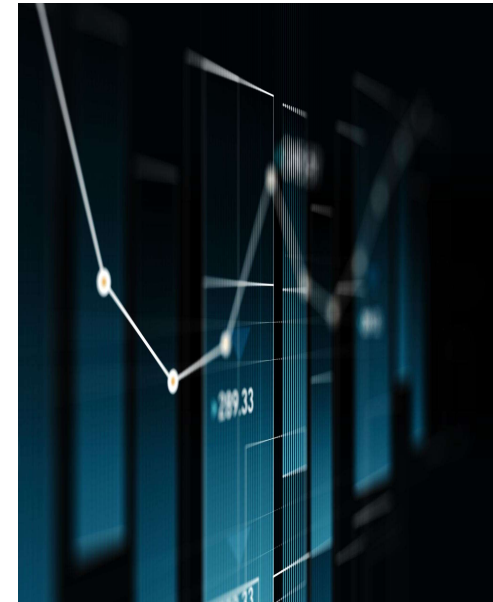


# Improvement recommendation



## Improving economy, efficiency and effectiveness

<b>Recommendation</b>	The Council should consider including an analysis which benchmarks its performance against that of other authorities, both in its internal financial management information and in its corporate performance scorecard.
<b>Why/impact</b>	There is a risk the Council's performance monitoring is not sufficiently stretching or ambitious. There does appear to be some benchmarking within the Council, but this is ad hoc and not consistent across the services.
<b>Auditor judgement</b>	Benchmarking could indicate areas for improvement not immediately identified. There is a risk these opportunities could be missed.
<b>Summary findings</b>	We found little consistent use of benchmarking as a tool across the Council's services and within the Corporate plan. Benchmarking is a useful tool and including more benchmarking within the Council's self-assessment tools could improve this work.
<b>Management comment</b>	Agreed. There is an inherent problem with benchmarking and that's ensuring that we are comparing like with like - experience has shown us that using statistical data sets is unreliable as these get distorted by overhead apportionment and budgeting and accounting differences across to compared bodies. We will however look at some benchmarking to identify best practice and compare our service provision.



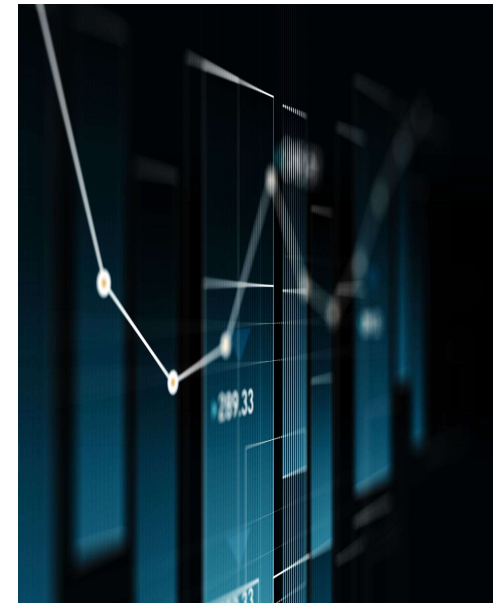
The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendation



## Improving economy, efficiency and effectiveness

<b>Recommendation</b>	The BCP annual business plan and performance outturn should be reported, reviewed and monitored by the Cabinet, Audit Committee or equivalent to ensure members have sufficient oversight of performance and risks. This will be particularly key if the BCP begins to operate a commercial strand in future.
<b>Why/impact</b>	The BCP represents a large project with a range of diverse risks, mismanagement of which could cause reputational or financial impacts to the Council.
<b>Auditor judgement</b>	It is vital that members understand these factors enabling them to provide insight and evaluate whether all known risks are being appropriately addressed. This will be particularly key as the BCP thinks about developing a more commercial outlook in future years.
<b>Summary findings</b>	BCP service is currently overseen by an Officer Steering Group (OSG), chaired by the Chief Executive. The portfolio holder is also provided with regular updates via the Head of the Ashford Post. It would be useful for all members to have sufficient oversight of the project as it commercialisation potential grows, going forward.
<b>Management comment</b>	At this time there is little benefit in detailed reporting as it is not operational. Once operational, this will happen. We will follow our practice adopted for the HRA.



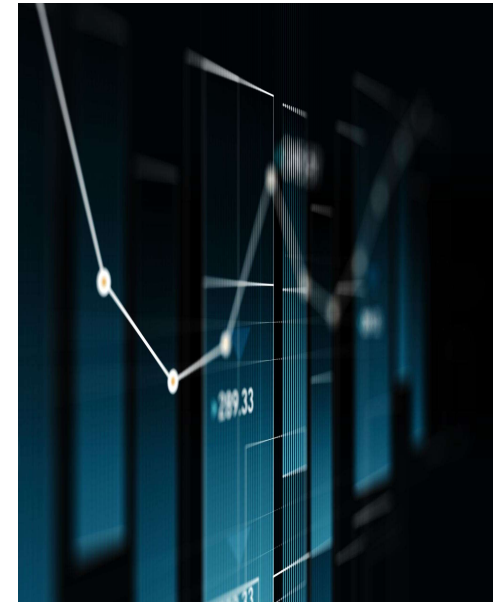
The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendation



## Improving economy, efficiency and effectiveness

<b>Recommendation</b>	Whilst the Council are provided with individual business plans for each of ABCPL's projects, it would be useful for the company to produce an Annual Business Plan to ensure that individual projects fit within the company and the Council's broader vision.
<b>Why/impact</b>	An overarching business plan, should help outline the key objectives of the company and underpin an effective approach to financial and operational planning as well as development of the growth strategy. Individual project plans can then be assessed against the achievement of these key aims.
<b>Auditor judgement</b>	There is a risk that without an over-arching business plan in place, that individual projects could run contrary to key aims and outcomes of both the Council and the company. This would help decision makers step back and think objectively when assessing individual project business cases, to understand if they further the aims of the organisation.
<b>Summary findings</b>	The Company has a well defined governance structure in place, which sees the Board Directors regularly reporting directly to the Council and presenting project business plans as and when needed. However there is no over-arching multi-year business plan which outlines key aims and focus.
<b>Management comment</b>	The Company is about to set its new 3 year business plan. Once this has been done, we will look to introduce an annual review of the business plan.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendation



## Improving economy, efficiency and effectiveness

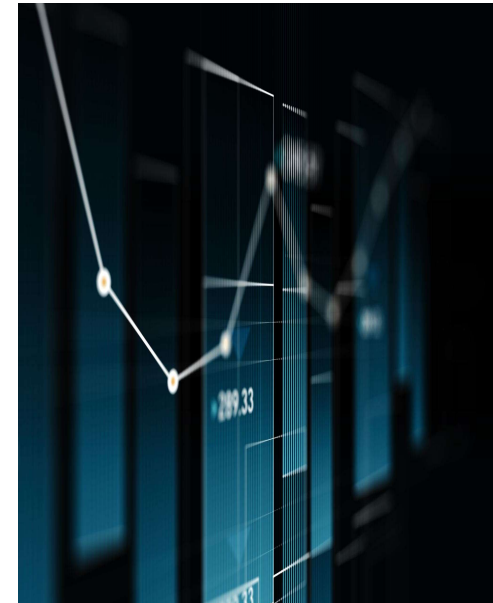
**Recommendation** The procurement strategy should be updated more regularly, along a 3-5 year timeline. The Council should also develop and publish a Social Value Policy to sit alongside this.

**Why/impact** The importance of a procurement strategy has been highlighted by the changes to the environmental, socio-economic and political background triggered by the pandemic, Brexit and the climate crisis, all of which have affected supply markets in the UK. It is vital that the Council's procurement strategy encapsulates these changes. By having a regular review of the procurement strategy and practices this ensures the Council more frequently review their supply chains and tactical approaches to procurement. This will also ensure that the strategy is updated for relevant legislation on a timely basis.

**Auditor judgement** There is a risk that the procurement strategy and approach is not updated for changes in regulation and procurement practices are no longer in line with the strategy, opening the Council up to reputational or financial risk.

**Summary findings** The Council's procurement strategy was last updated in April 2018. The socio-economic environment and structure of the procurement team has changed in this time. Therefore the Council should ensure to update the procurement strategy to reflect these shifts.

**Management comment** Agreed. We are in the process of updating the procurement strategy, adopting a social value policy and introducing quarterly contract management to Management Team.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendation



## Improving economy, efficiency and effectiveness

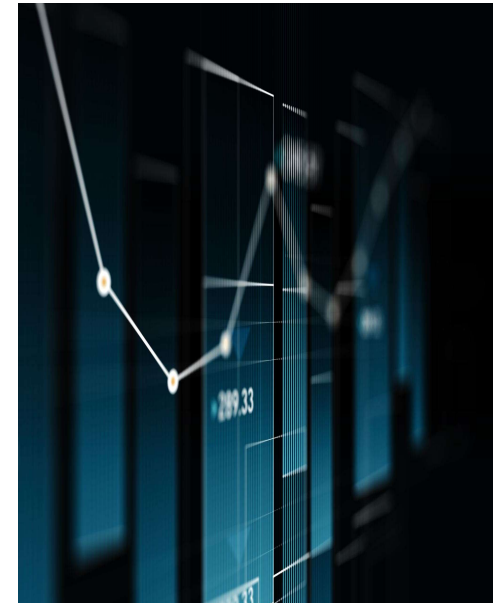
**Recommendation** Contract monitoring should take a more standardised approach, with regular reports provided to Heads of Service and escalated to executive management and those charged with governance as appropriate. Monitoring of contract KPIs should be included as standard.

**Why/impact** Contract monitoring is essential in securing oversight of service provision and allowing for issues to be escalated as appropriate. In order to embed this it would be useful to ensure a standardised reporting structure for 'business as usual' oversight of contracts so that issues are identified and mitigated at an early stage or escalated as appropriate.

**Auditor judgement** As contract monitoring is undertaken at a service level, with reports provided to Heads of Service on an ad hoc basis, there is a risk that issues are not identified by or escalated to those charged with governance at an early stage.

**Summary findings** Whilst routine monitoring of contracts takes place at a service level, there is no standard structure for reporting within Directorates or into the overarching corporate structure on a 'business as usual' basis.

**Management comment** Agreed. Contract Standing Orders are being reviewed with updated governance measures put in place where a breach of the rules occur. Quarterly contract management reporting is to be introduced to Management Team



The range of recommendations that external auditors can make is explained in Appendix B.

# COVID-19 arrangements



Since March 2020 COVID-19 has had a significant impact on the population as a whole and how Council services are delivered.

We have considered how the Council's arrangements have adapted to respond to the new risks they are facing.

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## Financial sustainability

The Council received £2.07m in general covid support grant and £1.7m to support lost sales on fees and charges income, with numerous other smaller grants which were re-distributed. The Council managed to contribute to reserves despite the impacts of Covid-19 and the net direct cost impact of Covid to the council was £515k as at 2020/21. The Revenues and Benefits Team processed circa 8,000 grants totaling £4.5m, and the Economic Development Team processed a further 2,400 grants totaling £4.9m. We noted the financial impact of the pandemic in the following areas:

- Underperformance on new tenancies in Carlton road Depot resulted in a rental shortfall of £122k and a Business Rates liability of £180k on void units.
- Provision of temporary accommodation for homeless people resulted to a pressure of £400k to the budget after government grant funding.
- Increase in rent arrears at the year end with government support scheme ending in 2021/22.
- A shortfall funding of £150k for the refugee resettlement programme as Covid restrictions limited the number of new arrivals to the scheme due to non-receipt of non-specific grant income. It is anticipated that this amount will be recovered over the coming years.
- The Council's Grounds Maintenance Service 'Aspire' had a £22,000 pressure for additional cleansing of public toilets due to additional Covid19 cleaning requirements.
- There was a transfer of £929,599 from the General Fund to offset the Covid19 Hardship discounts given to Council Taxpayers ,which relates to the compensating amount of Covid19 Grant awarded by Central Government to cover this General Fund cost.
- There was a reduction of £354,000 in repairs and maintenance costs due to accessibility issues during the Covid19 Pandemic.
- Capital expenditure was lower than expected and the allocation of £3.325m of revenue funds that was allowed within the budget to fund capital expenditure. was not required because of covid-19 due to delays.
- The Leisure sector suffered during the pandemic due to lockdown closures reducing income and the sector falling between many of the government support schemes. Whilst a scheme was eventually delivered on behalf of the Government, through Sports England, the Council were required to step in and support leisure centres in the interim.
- The collection rates for both Council Tax and Business Rates have been lower than normal due to the pandemic and due to no recovery action being taken through the courts because of their closure and accessibility.

A new Section 31 grant temporary reserve was established to clearly identify the funds necessary to fund collection fund deficits resulting from the Covid19 pandemic. These losses have already been incurred.

The BEIS reconciliations and fraud assurance checks with BEIS along with HMRC were completed. The reconciliations with BEIS have since been followed up with post-payment assurance checks. The most important part of the process to deter and prevent fraudulent applications is the check on the business rates account number. This number is only known by the ratepayer and was required by all applicants throughout the different grant schemes which have been administered. The other checks in place confirmed no duplicate payments were made, that bank accounts were correct and active for businesses, and that the business met the eligibility criteria in the guidance from BEIS.

With the impact of Covid-19 still to be understood and other risks, such as Stodmarsh and the Ashford Port it is reassuring to see the transfers to reserves for these risks.



## Governance

Whilst the Council generally maintained a business-as-usual approach to governance arrangements during the pandemic, some adjustments were required. As a result of the lockdown restrictions the Council had to adjust some internal control processes to support effective governance. For example, Committee meetings were moved to an online forum as soon as was lawful.

The Council's response was informed by the Health Protection (Coronavirus) Regulations 2020 as well as other relevant provisions covering health and safety, community safety and data protection. There was on-going risk assessment against strategic goals to protect its community, protect staff, maintain core service delivery and prepare for longer term recovery, which was achieved by mitigating risks to the public and collaborating with various agencies working towards these objectives by keeping people informed and sharing accurate and consistent guidance and information.

The Council also set up the Ashford Critical Emergency Resilience Committee (ACER) to co-ordinate the organization's response to the pandemic. This was made up of elected members and senior staff, ensuring response to the emergency was synchronized and actions tailored against the threat as its understanding developed. ACER regularly met throughout the pandemic to guide and support the Council's approach.

An emergency plan was invoked using the Business continuity incident management team (BCIMT), made up of the whole management team to manage the day-to-day operations and later reduced to three days a week. A well-established and tested business continuity and emergency planning arrangements was drawn by the Council to maintain its statutory and essential services throughout the pandemic. All services have business continuity plans which have been supplemented by additional arrangements specific to COVID-19, to enable services to work in different ways, such as remote working and rapid deployment of digital services. A key role of the BCIMT has also been to review specific risk registers focused on Covid-19 and agree actions to mitigate risks.

Office based staff were provided with necessary equipment to enable them to work from home to ensure a smooth transition to remote working where possible. Home working continued throughout the pandemic and has been governed by the Council's remote working and portable devices guidance, which resulted in the implementation of Covid-19 privacy notice, to reflect the ability of the Council in responding rapidly and reflecting the new ways of protecting its resident's vital interest.

The Council body's governance provided a strong base of internal control from which the council responded to the pandemic whilst ensuring key service delivery was maintained. We noted that the Council adapted the principles within the local code both in its response to the pandemic and through its normal service delivery.

## Improving economy, efficiency and effectiveness

In response to Covid-19 pandemic, a recovery plan was adopted in line with the corporate plan and carbon neutrality strategy to ensure it supports the transformation. The recovery plan sets out actions to be taken to address challenges and opportunities the Council will face in future.

The Council's completed regular Covid-19 risk assessments, to ensure recovery plans met their strategic goals of protecting its community (people and businesses) and staff, maintaining core service delivery and preparing for longer term recovery.

The Council have been mindful of the impact on its most important resource, its staff. Actions have been put in place to support wellbeing such as increased frequency and broader topics published on the My Ashford Rewards Smart Hub. These were focused on staff wellbeing and included mental, physical and financial pillars. Offers were also made to pay for winter flu vaccinations for employees for the first time in 2020/21.

The IT department completed the migration to Office 365 to allow staff to access Teams, building capacity by increasing the number of external servers from two to six, and supporting the virtual committees.

Legal services has maintained its legal advice and support role across services and, despite the closure of physical courts and the need for social distancing in evidence gathering, has continued with high profile litigation especially around closure orders in collaboration with housing colleagues and the police.

The HR team has worked remotely on business-as-usual issues as well as providing support to managers overseeing teams who are remote working.

Information regarding the council's COVID-19 response has been extensively promoted on the council's website, through regular social media messages, press releases, a special edition of our Ashford For You magazine, and mail outs to the most vulnerable.

From the outset, a PPE logistics process cell was established to support the identification of the PPE needs, procurement and stock distribution, which enabled the procurement team sourced PPE through recognised procurement routes and used the officers supply chain intelligence for supplementary PPE.

## Conclusion

Our review has not identified any significant weaknesses in the Authority's VfM arrangements for responding to the Covid-19 pandemic.

# Appendices



# Appendix A - Responsibilities of the Council



## Role of the Chief Financial Officer (or equivalent):

- Preparation of the statement of accounts
- Assessing the Council's ability to continue to operate as a going concern

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

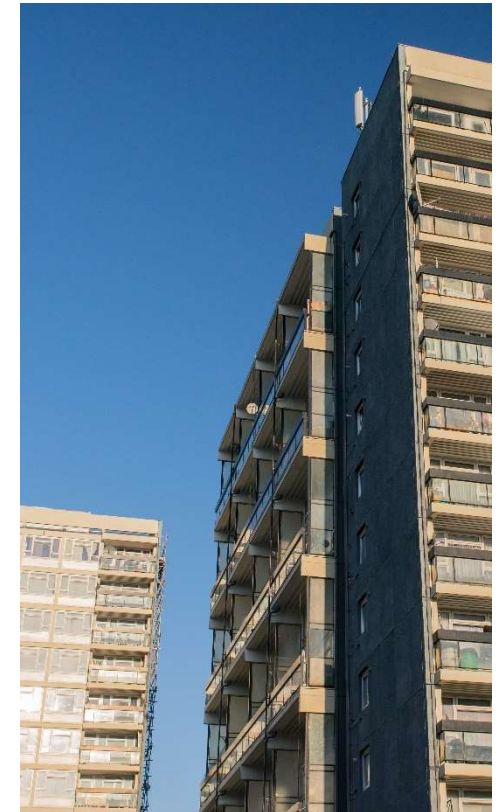
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B - An explanatory note on recommendations

A range of different recommendations can be raised by the Council's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Page 36 Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council to discuss and respond publicly to the report.	No	NA
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as 'key recommendations'.	No	NA
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council's arrangements.	Yes	See main body of the report.



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## Audit Committee - Future Meetings

**2022/23**

<b>Dates to Note</b>		
Date of Meeting	<b>19/07/2022</b>	
Publication of Agenda Date	07/07/2022	
Reports to Management Team	07/07/2022	
Full Council	20/10/2022	
<b>Items for Inclusion on the Audit Agenda</b>		
<b>Part I - For Decision</b>		
1	Draft Statement of Accounts 2021/22	LF
<b>Part II - Monitoring/Information Items</b>		
2	2021 Auditors Annual Report	Gr Th
3	Report Tracker & Future Meetings	KM

<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	GT
<b>Part II - Monitoring/Information Items</b>		
6	2021/22 Audit Plan (External Audit)	Gr Th
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	Audit Progress Report	Gr Th
6	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	