

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 **5th October 2021**.

Present:

Cllr. Krause (Chairman);

Cllrs. Hayward, Shorter, C. Suddards.

Apologies:

Cllrs. Buchanan, Walder.

Investigations and Enforcement Support Manager.

Also in Attendance (virtually):

Cllrs. Burgess, Mulholland, Ovenden.

In attendance:

Deputy Chief Executive, Compliance and Data Protection Manager, Head of Service Port Health, Port Health Manager, Head of Finance and IT, Accountancy Manager, Audit Manager, Head of the Audit Partnership, Member Services and Ombudsman Complaints Officer.

134 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 20th July 2021 be approved and confirmed as a correct record.

135 Strategic Risk Management

The Compliance and Data Protection Manager introduced this item and drew Members' attention to the key points within the report. She explained that this was a six monthly update report on the risk register, which highlighted risks that were outside the Council's risk appetite. The Compliance and Data Protection Manager and the Head of Service Port Health gave a presentation which covered:

- Introduction to risk in relation to Ashford Port Health.
- Overarching risk of failure to deliver Port Health Service, broken down into areas of concern, with examples of controls in place:
 - BCP designation and legal duties
 - Completion of site and occupation date
 - Deficit recovery
 - Consignment data
 - Relationship with Dover District Council

- Dependence failure with DEFRA
- Recruitment and retention
- Relationship with DEFRA

The presentation concluded with the following points:

- Delivering the Ashford Health Port Authority is a huge undertaking, not without risk
- Strong project governance in place and regular consideration of individual risks at project level
- Member oversight at a strategic level through Audit Committee
- On track to deliver in accordance with timescales.

The Chairman opened up the item for discussion and the following comments were made:

- A Member commented that during the presentation it was stated that most of the risk sat with DEFRA. However, he wished it to be noted that the consequences of any failed delivery would also have significant impacts on the Council.
- In response to a question about fee recovery and staff resources, the Head of Service Port Health said that the main problem was the staffing issue because it may be hard to upscale quickly. The Government had provided assurance that they would adjust the checking regime, but there was still a possibility that if there was more freight than had been calculated, there would be a need to find appropriate staff quickly, and this would be difficult. The Deputy Chief Executive added that DEFRA had provided Letters of Undertaking for the first year, and it may be necessary for the Council to request an extension of this period. The Head of Service Port Health advised that recruitment had currently been frozen until there was a better understand of the volume of service required. He also explained that the fees were based on the 'rest of the world' model, which he considered was the best current model, although it might be argued that the fees within this model were too high for local requirements. The Deputy Chief Executive confirmed that this staffing risk was included in the risk register.
- A Member asked whether there had been any human trafficking incidents to date. The Head of Service Port Health replied that the responsibility for this issue lay with the Border Force, although Port Health staff were appropriately trained to ensure their safeguarding was in place. A protocol was currently being developed and it was hoped that this would be in place shortly.
- In response to a question about veterinary support for the facility, the Head of Service Port Health confirmed that there was a shortage of appropriately trained veterinary staff as most trained vets preferred to work with live animals. Many of the staff currently employed had previously been working as meat inspectors in the UK.
- A Member noted that the Audit Committee had been asked to provide an oversight of the risks relating to the Port Health Service. He requested that

the Audit Committee be provided with an update on this item prior to going live in July 2022. This could either be in the form of a report to a meeting prior to that date or a Member briefing session.

- A Member noted the risk relating to cyber security and considered that it was appropriate for the Audit Committee to be briefed on this issue at a future meeting via a report from IT. The Compliance and Data Protection Manager confirmed that this matter was high on the national risk register.
- In response to a question about the £1.5m reserve, the Deputy Chief Executive confirmed that the funds would be provided through Government funding, but any delay in operation would impact on the funds. The Council's strategy was to reach a position of having 1 year's worth of funds in reserve over a 3-5 year period, and fees would be set accordingly and adjusted if necessary to avoid accruing a bigger reserve.
- A Member noted that the Ashford Border Post was based around freight from the Channel tunnel. He questioned how the service would be affected if the tunnel were to be closed, for example due to a fire. He asked whether the risk for Ashford Border Post was greater than for other border posts. The Head of Service Port Health replied that much of the work was undertaken digitally and that it was likely that the Ashford Border Post would be asked to assist others, such as Dover, at times when the volume of traffic was high due to freight switch. National central hubs were also under discussion at present and Ashford would be a prime location for such a facility.
- The Members of the Committee considered the remainder of the report and it was agreed that there should be a focus on the Council's cyber security risk the next time the corporate risk register report was presented.

Resolved

That the Audit Committee

- a) Agrees the assessments and the adequacy of key controls to manage the risks.**
- b) Has considered the area of focus of this report on the risks associated with the Ashford Port Health Service**
- c) Would benefit from a more detailed report on cyber security to a future meeting in order for the adequacy of the controls to be assessed.**

136 Annual Governance Statement - Progress on Remediating Exceptions

The Compliance and Data Protection Manager introduced this item and highlighted the key points within the report and tables. She explained that this was a mid-year review which outlined progress in implementing the recommendations highlighted in the Annual Governance Statement. All actions were in hand and within timescales.

Resolved

That the report be received and noted.

137 Corporate Enforcement Support & Investigations Team Annual Report 2020/21

The Head of Finance and IT introduced this item and drew Members' attention to the key points within the report. She said that the overall financial value identified from the Investigations Team's work was almost £616,000 of public funds. This equated to almost £220,000 of Ashford Borough Council funds. The team were now undertaking commercial work, and were working with two East Kent authorities. They were considering working with housing associations moving forward and would shortly embark on a trial project. There would also be a communications campaign to highlight what the team had achieved to deter fraud, and also to encourage members of the public to come forward and report cases of fraud.

The Chairman opened up the item for discussion and the following points were made:

- A Member noted the savings in public funds made by the Investigations team, and questioned whether the Council was recompensed for this work. The Head of Finance and IT explained that the figures related to fraud detected, rather than money actually made, and these two issues were not necessarily linked. She said that although other bodies did not recompense the Council formally, they did fund administration grants for Council Tax. The Deputy Chief Executive added that the work of the Investigations team protected the public purse, not just the Borough Council, and that it was a flexible boundary. He confirmed that there was reciprocal benefit through shared intelligence with other organisations.
- Members remarked that they were in favour of the communications campaign, which would not only help protect against fraud, but act as a deterrent for future fraud.
- In response to a question about benchmarking against other authorities, the Head of Finance and IT said that this had not been undertaken due to the relative sizes of fraud and investigations teams elsewhere and the level of fraud work undertaken. She said this could be done as there were a handful of other authorities nationally who would provide useful comparisons. The Deputy Chief Executive suggested that it was useful to consider the underlying level of fraud and error in the system against the effectiveness of the team. He said that some years ago an exercise had been undertaken to develop a risk appetite statement for the Council, and the Investigations and Enforcement Support Manager was asked to provide further details on this at a future meeting.

- A Member suggested that an item should be put in the Council's magazine highlighting the work of the Investigations Team, both to act as a deterrent and to encourage members of the public to come forward and report suspected fraud.
- Members agreed that a presentation would be given to Audit Committee at a future stage, including details on the risk appetite statement.

Resolved

That the report be received and noted.

138 Annual Report of the Audit Committee

The Audit Manager introduced this item and explained that the contributions Members had made at a recent workshop had been captured in the report. The report advised that the Committee had successfully undertaken its duties in the year 2020/21. She drew attention to the Value for Money presentation which was due to take place on 14th October. She said that the report provided reassurance that the important internal controls, governance and risk management issues were being addressed by the Committee.

- A Member remarked on the quality of the consultation training, which had been well attended. Another Member was pleased to see the views of Committee Members included within the report.

Resolved

- a) **That the annual report of the Audit Committee for 2020/21 is agreed.**
- b) **That the Chairman of the Audit Committee presents the report to a future meeting of the Full Council to demonstrate how the Committee has discharged its duties.**

139 Audit Fee Letter 2021/22

The Accountancy Manager introduced this item and explained the fees and additional charges.

In response to a question from a Member, the Accountancy Manager confirmed that the deadline for agreement of the audit fee was February 2022. He advised that a report would be submitted to the Committee towards the end of current year on the procurement process and confirmation of interest in remaining with the PSAA.

Resolved

That the Audit Committee notes the proposed Fee for the 2021/22 Final Accounts Audit.

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140 Date of Next Meeting

30th November 2021 at 5pm.

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