

## Ashford Borough Council: Audit Committee

Minutes of a Meeting of the Audit Committee held in Committee Room No. 2, Civic Centre, Tannery Lane, Ashford on the **20<sup>th</sup> June 2023**.

### Present:

Cllr. Krause (Chair);

Cllrs. Mrs Bell, Dean, Gambling, Hallett, Hayward, McGeever, Smith.

In accordance with Procedure Rule 1.2(c) Councillor Mrs Bell attended as Substitute Member for Councillor Feacey.

### Apologies:

Cllr. Feacey.

### In attendance:

Cllr. Bartlett.

Deputy Chief Executive, Head of Internal Audit, Member Services Manager.

### Also in Attendance (virtually):

Finance Service Lead.

Key Audit Partner – Grant Thornton UK.

## 37 Election of Chair

### Resolved:

**That Councillor Krause be elected as Chair for this Meeting of the Committee.**

## 38 Declarations of Interest

Councillor	Interest	Minute No.
Hayward	Made a Voluntary Announcement as a Member of Stanhope Parish Council.	40

## 39 Minutes

A Member quoted from the last Minutes and references to Eurostar International services not stopping in Ashford under the Corporate Risk Register item. He asked what the latest position on this was. The Deputy Chief Executive advised that in the context of the Corporate Risk Register, it had been more of a technical discussion about the status of the risk, but perhaps this did need to be reframed as it was now

more about when services would start again. The Council had a limited sphere of influence as it was ultimately a commercial decision but the Chief Executive held regular meetings with the Chief Executive of Eurostar and they were lobbying, including via MPs, to recommence the International services from Ashford. The Council's Head of Economic Development would be able to provide a fuller update should any Members so wish.

**Resolved:**

**That the Minutes of the Meeting of this Committee held on the 21<sup>st</sup> March 2023 be approved and confirmed as a correct record.**

## **40 Internal Audit Annual Report and Opinion 2022/23**

The Head of Internal Audit introduced the report. She drew particular attention to the recommendations, her Opinion Statement and the reconciliation of the approved 2022/23 Internal Audit Plan. She explained that the Public Sector Internal Audit Standards required her to deliver an annual opinion that the Council could use to directly inform its Annual Governance Statement. This annual opinion provided a conclusion on the overall adequacy and effectiveness of the Council's framework of corporate governance, risk management and system of internal control. She advised that her opinion was that Ashford Borough Council had "adequate and effective management, control and governance processes in place to manage the achievement of their objectives" – and this was the highest assurance rating that she could give.

The Head of Internal Audit confirmed that with regard to Internal Audit coverage, there had been a reduced number of audits due to knock on effects of the late completion of the previous year's work and the significant churn of staff. They had however been able to deliver a significant amount of work during 2022/23 (outlined at Annex D to the report) with only one audit with a partial weakness and had been able to rely on other sources of assurance. With regard to the IT Backup and Recovery Audit, this had now been completed and received a 'sound' assurance. She was also pleased to advise the Committee that they had now appointed two new Auditors.

The item was opened up to the Committee and the following responses were given to questions/comments: -

- The Head of Internal Audit said she was confident of being able to deliver a full audit service going forward. It was a difficult market in which to recruit/retain staff, but the two new starters meant she expected the team to be able to complete a higher volume of work in the coming year.
- The audit of PFI Management of the Stanhope Estate had been dropped during 2022/23 due to a change of the programme management staff. This would remain in the five year rolling plan and would be picked up again in the future.

- A new contractor had been appointed for parking cash collection and the Council had a good working relationship with them. This had been a 'sound' element of the follow up report and would continue to be monitored.
- Following on from the Data Breach audit, all elected Members had been required to undertake Cyber Security training following the May 2023 Elections and the Member Services Manager advised that they were now almost at 100% completion.

**Resolved:**

- That (i) the Internal Audit Report and Annual Opinion be noted. The opinion states that, for the 12 months ending 31<sup>st</sup> March 2023, the Council operated an effective framework for corporate governance, risk management and internal control.**
- (ii) it be noted that the work to support the opinion was completed with sufficient independence and in conformance with Public Sector Internal Audit Standards.**

## **41 External Audit Progress Report**

The Key Audit Partner – Grant Thornton UK introduced the report. The report advised of progress with both the 2021/22 audit and the intended timings for the 2022/23 audit work. It also highlighted other areas of interest in the sector.

A Member asked about the implications of the staffing shortfall in the audit sector and questioned whether Grant Thornton could provide any assurance that the Council would get the service it was paying for. They were still waiting for the 2021/22 financial statements audit to be completed and she asked if Grant Thornton were doing anything to try and improve the situation and resolve their staffing issues.

The Key Audit Partner – Grant Thornton UK, advised that they were doing their best to resolve their staffing situation, but as previously discussed, staff recruitment and retention was an industry wide issue and there was a shortage of candidates in the market and across the sector. Grant Thornton was constantly recruiting staff and they were active in the market, but there was a need to try and make it as attractive a career as possible to assist retention. They did recognise the situation, and were looking to tender for less work through the PSAA process, but they remained the biggest individual supplier in the industry. They were still delivering services, although not at the pace they would like. He advised that they should be in a position to complete the 2021/22 audit very soon.

**Resolved:**

**That update be received and noted.**

## **42 Report Tracker and Future Meetings**

The Deputy Chief Executive advised that work was ongoing to review the timetable of meetings and to structure agendas to make sure that the relevant timings worked for everyone, so there may be some changes going forward and the Committee would be advised if that was the case.

The issue of Meeting start times was raised and the Committee unanimously agreed to revert to a 6pm start time.

### **Resolved:**

**That the report be received and noted and Audit Committee Meetings commence at 6pm going forward.**

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