

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 **3rd October 2023**.

Present:

Councillor Gambling (Vice-Chair in the Chair);

Cllrs. Hayward, McGeever, Spain, C. Suddards.

In accordance with Procedure Rule 1.2(c) Councillors Spain and C Suddards attended as Substitute Members for Councillors Dean and Hallett respectively.

Apologies:

Cllrs. Dean, Feacey, Hallett, Krause, Smith.

Director of Customer, Technology and Finance.

In attendance:

Deputy Chief Executive, Head of Policy and Performance, Investigation and Enforcement Support Manager, Member Services Officer.

Also in Attendance (virtually):

Cllr. Mrs Bell.

Finance Service Lead, Head of Internal Audit, Audit Admin Assistant.

Key Audit Partner – Grant Thornton UK.

151 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 20th June 2023 be approved and confirmed as a correct record.

152 Corporate Risk Register

The Head of Policy and Performance gave a presentation to the Committee, which covered the following areas:

- Risk Management Framework
- Risk Appetite
- Risk Assessment (impact/likelihood)
- Heat Map
- ABC Risk Governance
- Risk Monitoring

She went on to speak about the report which highlighted the risks that sat outside the risk appetite and risks that had increased/decreased in term of their risk profile.

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

- The Deputy Chief Executive explained that the elevated risk for the Newtown Works project could be attributed to the Stodmarsh issue. A recent court case resulted in nutrient neutrality now being brought into any reserved matters application. He acknowledged the commercial risk of the recording studio and said that discussions were currently ongoing with a number of operators, and the price and risk would be assessed by the Due Diligence Task Group which included all leaders of the political parties, to ensure full Member awareness and scrutiny. An update report was due at the next Cabinet meeting and a recent report by Knight Frank on the prospects for the UK studio industry would be circulated for Members to see. He advised that the report to Cabinet could be flagged by the Audit Committee to the Leader, as part of the due diligence process. The Head of Policy and Performance would take this back to the risk owner for the concerns to be factored in.
- A further mitigation was in place so that the land allocated to the studio could be reassigned to other uses, including housing. There was an expectation that the solution to the nutrient neutrality issue would be found shortly and Central Government were expected to table legislation during the next Kings Speech. The Council had also developed plans to find a solution and organised to submit a planning application on a wetlands site, to mitigate up to 10,000 homes.
- Regarding the reduced risk around the economic impact of the cessation of international services, it was explained that the Council remained committed to working towards the return of international services. However, the damage to the local economy had already occurred. Eurostar services had ceased in Ashford around four years ago and therefore the risk of that damage increasing as a result of this action was reduced. A Member said that there were two major impediments concerning the return of Eurostar to Ashford - the company's debt of approx. £964m and the extra checks required now that UK was outside of the European Union.
- It was agreed that the topic of Health & Safety be added to the Tracker after a Member raised concerns that changes in staffing levels could increase the risk of health & safety issues affecting the Council and its Officers. Mandatory e training was in place for staff and Members, and Health & Safety Officers were recruited within the Council, but the Committee agreed it was an important topic to undertake further due diligence on. The Head of Policy and Performance explained that the risk owner would produce a more comprehensive report and then attend a future meeting to explore the matter in more detail with the Committee.

Resolved:

- That (i) the Risk Register Report be noted.
- (ii) that Health & Safety be added onto the Tracker for a future meeting.

153 Annual Governance Statement – Progress on Remediating Exceptions

The Head of Policy and Performance introduced this report, which provided an update on the progress made towards the areas of review highlighted by the Annual Governance Statement.

Resolved:

That the update report be received and noted.

154 Corporate Enforcement Support & Investigations Team Annual Report 2022/23

The Investigation and Enforcement Support Manager introduced the report that provided an update of the work of the Investigation and Enforcement Support Team for 2022/23.

In response to a question regarding abbreviations, RTB was Right To Buy scheme, SBRR was Small Business Rates Review and SPD was Single Person Discount (for Council Tax).

The 'count of cases – type' pie chart (p.42) featured categories of 'blank' and 'other'. It was confirmed that these related to multiple cases, and the electronic report gave the option to hover over and more detail was displayed. This could be circulated to the Committee after the meeting.

A Fraud Awareness training package had been acquired and Members were asked to look at this and provide feedback. The Investigation and Enforcement Support Manager would circulate a link to Councillors after the meeting.

Resolved:

That the report be received and noted.

155 Annual Report of the Audit Committee

The Head of Internal Audit introduced the report. The report outlined how the Audit Committee had discharged its duties during 2022/23. It provided assurance to the Council that important internal control, governance and risk management issues were monitored and addressed by the Committee.

Members highlighted some irregularities on the attendance chart on p.55 and were assured that these would be amended and expanded upon where necessary.

Resolved:

That the report be received and noted.

156 External Audit Progress Report

The Key Audit Partner – Grant Thornton UK introduced the report. The report advised of the on-going progress with both the 2021/22 audit and the intended timings for the 2022/23 audit work. There had been significant delays to the process and more recently, consultations on how to address the issues contributing to the delays. Proposals involved Central Government setting statutory deadlines for closure of the accounts. Grant Thornton anticipated that the Councils audits for 2021/22 and 2022/23 would be completed ahead of the statutory deadlines.

A Member voiced her frustration over the delays and questioned whether Grant Thornton could provide any assurance that the Council would get the service it was paying for. The Key Audit Partner – Grant Thornton UK said he understood and shared the Members frustrations, and as previously discussed, a number of circumstances including staff recruitment and retention had contributed to the deferrals. This was an industry wide issue and there was a shortage of candidates in the market and across the sector.

157 Report Tracker and Future Meetings

The Deputy Chief Executive advised that Health and Safety would be added to the Tracker for November.

Resolved:

That the report be received and noted