

Audit Committee
7 pm, Wednesday 13 March 2024

Minutes

Present: Councillor Alister Brady (Chair)
Councillor Dan Smith (Vice Chair)
Councillor Dane Buckman
Councillor Elizabeth Carr-Ellis
Councillor Andrew Harvey
Councillor Peter Old (present as a substitute)
Councillor Robert Jones

In attendance: Councillor Alan Baldock

Officers: Nicci Mills - Service Director, Finance and Procurement
Rob May - Head of Finance
Jan Guyler - Head of Legal Services and Monitoring Officer
Pippa Tritton - Democratic Services Officer
Christopher Parker - East Kent Audit Partnership
Ajay Jha - Audit Manager, Grant Thornton UK LLP

622. Apologies for absence

Apologies for absence were received from Councillor Franklin and Christine Parker, Head of East Kent Audit Partnership.

623. Substitute members

Councillor Old was present as a substitute for Councillor Franklin.

624. Declarations of interest by Members or Officers

No declarations of interest were made by councillors or officers.

625. Minutes

The Chair advised that the minutes of the meeting dated 24 January 2024 had been omitted from the agenda and would be received at the next meeting.

626. Public participation

The Chair advised that there were no public speakers for the meeting.

627. Change of order of the agenda

The committee agreed unanimously to take Agenda Item 8, the Approval of Audited Accounts, as the first substantive item on the agenda.

628. Approval of Audited Statement of Accounts

The Service Director, Finance and Procurement introduced the report, which set out the requirements for the Committee to approve the Annual Governance Statement and the Statement of Accounts 2022/23. The appendices provided some brief notes on the statement, and Grant Thornton had separately reported back their draft audit findings.

Ajay Jha, Audit Manager at Grant Thornton, then set out brief points about the audit and the auditors' findings. Points raised included the following:

- Audit work for 2022/23 was complete, subject to approval at this committee.
- Action plan showed findings for 2022/23 which needed to be reported.
- There had been eight recommendations last year, four had been implemented and four were ongoing.
- Audit adjustment of £7 million, where instructions sent to valuer had included a valuer error. This had been picked up in the review and now corrected. This was an isolated error.
- Other adjustments were not material.
- Value of money works were now complete, however responses weren't made in time to be presented at this meeting.
- One finding around Housing Revenue Account had been identified as a significant risk around budget setting in future.

It was proposed, seconded and when put to a vote, unanimously RESOLVED:

- i) that the Annual Governance Statement 2022/23 and updated Local Code of Corporate Governance was formally approved (Appendix 1)
- ii) that the Statement of Accounts for 2022/23 be formally approved
- iii) that the Chair of the Committee formally sign the 2022/23 accounts
- iv) that the letter of representation (Appendix 4) on behalf of the Council be approved.

Record of voting:

For (7): Councillors Alister Brady, Dan Smith, Dane Buckman, Elizabeth Carr-Ellis, Andrew Harvey, Peter Old and Robert Jones.

Against (0)

Abstained/absent (0)

629. EKAP Quarterly Internal Audit Update Report

The Deputy Head of the East Kent Audit Partnership presented the report asking members to accept the results of internal audit work, and make comments, if required, to Full Council.

An update was provided on progress since the report to the last committee

meeting and the main points were summarised. The following points were discussed:

- There was one main report this period - Payroll - which was a substantial assurance with no recommendations made.
- Two follow up reports had been undertaken also with substantial assurance.
- There were two limited reports pending follow up which would be reported to the July meeting of the Audit Committee.
- Planned progress for the year was also included, with the planned progress for Canterbury standing at 70% completed at the end of January.

It was proposed, seconded and when put to a vote unanimously RESOLVED that:

The Committee accepted the results of internal audit work.

Record of voting:

For (7): Councillors Alister Brady, Dan Smith, Dane Buckman, Elizabeth Carr-Ellis, Andrew Harvey, Peter Old and Robert Jones.

Against (0)

Abstained/absent (0)

630. EKAP Draft Internal Audit Plan 2024/2025

The Deputy Head of the East Kent Audit Partnership introduced the report which set out the draft plan of work for the forthcoming 12 months for approval. The main points were summarised and discussed and included:

- The draft plan had been discussed with senior management at the council to identify the best times to undertake reviews.
- The report reflected on national views, cyber and data security had been identified as the number one threat nationally, with human capital diversity and talent management second.
- Climate Change review had been undertaken in 2022/23 with short catch ups each year, the interim update was currently underway.
- The whole five year draft plan was shown in the report for the committee's information, although comments were only sought for the upcoming year.

Councillors debated the report and clarification was provided where necessary:

- The report was in hierarchical order and was produced after talking to a number of key players and following national trends.
- Climate change was climbing up the order and may continue to rise in future years.

A councillor expressed concern at the number of audit days allocated to Canterbury City Council compared to other Kent authorities. It was noted that this had previously been looked at in 2015 and at that stage it was felt that the provision was adequate.

Canterbury had a very comprehensive risk register compared to some other authorities and also had a five year plan. It was

acknowledged that there would be additional costs involved if extra days were required.

It was proposed, seconded and when put to a vote unanimously agreed to RECOMMEND (to Cabinet) that:

The number of audit days within the Audit Plan were increased to look at the highest risks within the risk register, and to align that with the audits in Years 2 and 3 to see if these could be moved forward within budget constraints.

Record of voting:

For (7): Councillors Alister Brady, Dan Smith, Dane Buckman, Elizabeth Carr-Ellis, Andrew Harvey, Peter Old and Robert Jones.

Against (0)

Abstained/absent (0)

It was then proposed, seconded and when put to a vote it was:

RESOLVED: That councillors approve (but not direct) the Council's Internal Audit Plan for 2023/24

Record of voting:

For (7): Councillors Alister Brady, Dan Smith, Dane Buckman, Elizabeth Carr-Ellis, Andrew Harvey, Peter Old and Robert Jones.

Against (0)

Abstained/absent (0)

631. Capital and Investment and Treasury Management Strategies

The Service Director, Finance and Procurement introduced the report which outlined the strategies to be adopted for Treasury Management, Capital and Investments for 2024/25 including the approval of the Prudential Borrowing Limits for 2024/25-2026/27 and the policy on Minimum Revenue Provision.

Councillors debated the report and the officer provided points of clarification where necessary.

It was proposed, seconded and when put to a vote unanimously agreed to RECOMMEND (to Cabinet)

a) that the attached Treasury Management Strategy including the Minimum Revenue Provision policy for 2024/25 be approved

b) that the attached Capital Strategy for 2024/25 be approved.

c) that the attached Investment strategy for 2024/25 be approved.

Record of voting:

For (7): Councillors Alister Brady, Dan Smith, Dane Buckman, Elizabeth Carr-Ellis, Andrew Harvey, Peter Old and Robert Jones.

Against (0)

Abstained/absent (0)

632. 2023-24 Q3 Treasury Management report

The Service Director, Finance and Procurement introduced the report which detailed the results of the councils' treasury management activities in quarters 1-3 of the financial year ending 31 March 2024.

The report was NOTED.

633. Regulation of Investigatory Powers Act (RIPA) 2000 - Annual report

The Head of Legal Services & Monitoring Officer introduced the report and accompanying updated draft RIPA Policy which set out the council's position with regard to directed surveillance sources under the Regulation of Investigatory Powers Act 2000.

The report was discussed and comments included:

- The policy was very rarely used and no applications had been made since 2015.
- Fly tipping was the most common use.
- It could only be used in preventing crime with a prison sentence exceeding six months.

It was proposed, seconded and unanimously agreed to:

RECOMMEND (to Council)

- a) That the updated RIPA Policy document be adopted.
- b) That the annual report was received and noted.

Record of voting:

For (7): Councillors Alister Brady, Dan Smith, Dane Buckman, Elizabeth Carr-Ellis, Andrew Harvey, Peter Old and Robert Jones.

Against (0)

Abstained/absent (0)

634. Risk Register

The Head of Finance introduced the report which updated councillors on the key risks facing the council. Appendix 2 listed the changes since the last quarterly report, a summary ranking to highlight the major risks and the detailed version of the Risk Register showing how risks were being managed.

Councillors debated the report and comments included:

- Cyber attacks remained the highest risk.
- Staff were thanked for how well they had responded to the cyber attack.
- It was felt that residents needed to be reassured that their data was safe following the attack. It was noted that the communications team would be

working on this.

- Councillors expressed surprise that the flooding risk had decreased, as there were many issues particularly in relation to groundwater and surface flooding.
- Thanks were given to Liam Woollorton, the Head of Engineering, and his team for recent flood related works.
- It was felt that working with partner organisations, such as Kent County Council and their drain maintenance programme, could assist.
- The shortage of building control officers was a matter of concern. More information was needed on this before the risk could be scored.
- With regards to Incremental payments linked to Kent County Council (KCC) recycling targets. The Service Director Finance and Procurement would find more information on this and circulate to councillors.
- Councillors were concerned about homelessness in the area and how the decisions made by coworkers affected the council. In particular, the KCC decision regarding 19+ care leavers and unaccompanied asylum children. Does this score need to be readjusted?
- It was explained that the score would have been reviewed by the Director of People and Head of Housing. However, they could be invited to attend the next meeting of the Audit Committee to explain the impact on statutory authorities.
- The rent guaranteed assurance scheme could be discussed too, as that was linked to homelessness problems.

The report was NOTED.

635. Any other urgent business to be dealt with in public

There was no business under this item.

636. Exclusion of the press and public

637. Any other urgent business to be dealt with in private

There was no business under this item.

Meeting finished - 20.05