

Audit and Governance Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Thursday, 29 January 2026
Present	Councillors David Godfrey, Liz McShane (Chair), Andy Vanburen, Belinda Walker and John Wing
Apologies for Absence	Councillor Rich Holgate and Councillor David Wimble
Officers Present:	Alex Baker (Committee Services Officer), Richard Coleman (Infrastructure & Security Team Leader), Ewan Green (Director of Strategy and Resources), Jonathan Hicks (Governance, Performance & Risk Manager), Daniella Loxton (Principal Accountant (Capital and Treasury)), Keiran McDermid, Mrs Christine Parker (Head of Audit Partnership), Mr Chris Parker (Deputy Head of Audit), Paul Dossett, Andrina Smith (Chief Officer - People & Customer Services), Jonathan Smith (Chief Officer, Financial Services (Deputy s151)) and Steve Weakley (Digital & ICT Manager)
Others Present:	Councillors Fuller and Prater

16. **Declarations of Interest**

Councillor Wing declared that he is a director of Opportunitas.

17. **Minutes**

The minutes of the meeting held on 10 September 2025 were considered and approved as a correct record.

18. **Cyber Security Risk Update**

This report provided the Audit & Governance Committee with an overview of cyber security, which is currently the number one risk on the Corporate Risk Register. This report outlined the council's updated cyber security approach, including alignment with the Digital & ICT Strategy and the Cyber Assessment

Framework (CAF). It detailed actions to embed cyber security across governance, operations, and service delivery, highlighted ongoing risk management and incident readiness activities, and reflected the council's commitment to resilience, compliance, and continuous improvement.

Following the introduction by the Digital and ICT Manager, Members made points including the following:

- Section 4.7 of the report references the two remaining high risks still to be completed, could you give an update on the timing of those? The Digital and ICT Manager advised that a full asset register is already in place, and the system has recently been amended to allow assets to be marked as high, medium or low priority. A full audit has been carried out by the ICT team and the register is currently being updated, with the intention of having it finished by the end of February.
- What assurances can officers give us that cybersecurity is now a part of corporate culture, rather than just an ICT function? The Digital and ICT Manager advised this is being led by the Corporate Leadership Team, as well as the corporate governance board. It's now a quarterly item on the agenda, and CLT and the corporate governance board will feed back into the processes that they want to undertake.
- What is councillor compliance like on the cybercrime e-learning module? The Chief Officer for People and Customer Services advised that at the moment, about a third of councillors have completed the training.
- External interaction. Where you talk about Lifeline, Benefits and Housing Options, it mentions in the report that there's good incident responses and a resilience plan, but do we have any influence on their system security, and who monitors that? The Digital and ICT Manager advised that we have some monitoring in place currently, but it needs to be strengthened. The council is looking at its contracts and establishing what security is in place and adding a restriction around reporting any attacks within a specified time.
- If something goes wrong, this could be outside of the council's control. The Digital and ICT Manager agreed, adding that this was on the Cyber Assessment Framework as one of the key areas to address, and would be looked at within the next four months.
- Is there any fear that councillors' own devices could be at risk? And is there any guidance that needs to be given to councillors on how to protect their own data and the data that they're using for the council? The Infrastructure and Security Team Leader advised that councillors are considered high risk, but the bigger threat is corporate devices such as laptops, where compliance policies are in place. They will also be considering compliance policies for councillors that will look at devices connecting into the network, and use those to make recommendations, for example if devices are out of date.
- What would make the biggest difference to reducing the risk further in the next six to twelve months? The Digital and ICT Manager advised there is not one particular thing, more just having all measures in place and being as protected as we can.

Proposed by Councillor Godfrey
Seconded by Councillor Wing; and,

Resolved:

- 1. To note and consider Report AuG/25/11**
- 2. To provide feedback to officers on the measures in place**

(Voting: 4 For, 0 Against, 0 Abstentions)

19. Quarterly code of conduct complaints update report

This report provided an update to the Committee on Member Code of Conduct complaints received during quarter 2 of 25/26 (1 July to 30 September 2025).

Proposed by Councillor Walker
Seconded by Councillor Wing; and,

Resolved:

- 1. To receive and note report AuG/25/12**

(Voting: 4 For, 0 Against, 0 Abstentions)

20. Quarterly internal audit update report from the head of East Kent Audit Partnership

This report included the summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee meeting together with details of the performance of the EKAP to the 30th September 2025.

Following the introduction by the Deputy Head of East Kent Audit Partnership, Members made points including the following:

- Are we confident that the internal audit plan will be substantially delivered by year end? The Head of East Kent Audit Partnership advised there will be a reduction in the number of days completed this year due to a vacancy that has been open since 30th September last year, but this has now been filled and with the new person starting on 16th February, they hope to be in the high 90s across the four partners by the 31st of March.
- Were there any common themes appearing, or any that might emerge in the future? The Head of East Kent Audit Partnership advised that these would be addressed in the annual report. There are some low-level matters outstanding, but the high risks are continuously addressed,

implemented and tested. FHDC has an excellent track record in implementing the recommendations made by EKAP

Proposed by Councillor Walker
Seconded by Councillor Wing; and,

Resolved:

- 1. To receive and note Report AuG/25/13**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

(Voting: 4 For, 0 Against, 0 Abstentions)

21. Corporate Risk Register

This report provided an update to the Corporate Risk Register, last considered by the Audit and Governance Committee on 30th July 2025. It identified the current risks facing the Council, giving the Committee oversight of changing and emerging risks as appropriate.

Following the introduction by the Governance, Performance and Risk Manager, Members made points including the following:

- With LGR (Local Government Reorganisation) on the horizon, I think Otterpool Park should be labelled as very high risk, as not much will happen with Otterpool Park until after LGR has taken place. The Governance, Performance and Risk Manager advised that all risks in the register will be reviewed ahead of the next meeting in March, however clarified that the register features two risks relating to Otterpool: one high risk and one moderate.
- Could we have an additional risk added to the temporary accommodation category specifically for homelessness? The Governance, Performance and Risk Manager confirmed the council do monitor the levels of rough sleeping in the district, as well as the number of homelessness approaches, but stated he would take the suggestion back to the housing team for consideration.
- Pleased to see the risk for Folkestone: A Brighter Future is within tolerance, this needs to be a success.
- Are there any emerging risks that aren't mentioned in the register that we should be aware of? The Governance, Performance and Risk Manager advised that currently there were not, but any new or emerging risks would be brought to the Committee's attention in March.

Proposed by Councillor Wing
Seconded by Councillor Godfrey; and,

Resolved:

1. **To receive and note report AuG/25/14**
2. **That Audit and Governance Committee reviews the Corporate Risk Register Overview (Appendix 1) and makes any necessary recommendations regarding the Council's management of risk.**

(Voting: 4 For, 0 Against, 0 Abstentions)

22. **Statement of Accounts 2024-25 Audit Findings Report & update on certification of prior year audit**

In accordance with the Accounts and Audit (Amendment) Regulations, the audit of the 2024/25 Accounts has almost been completed. The draft audit findings in relation to the audit of the 2024/25 Statements of Account were set out within the Auditor's Audit Findings Report ('AFR') attached as Appendix 1. An update on the certification of prior year audits was also given by the auditors.

Following the update from the Chief Officer (Finance) and Grant Thornton, Members made points including the following:

- Page 105 of the pack (Princes Parade) talks about writing capital out to revenue. How does that get shown in revenue? The Chief Officer (Finance) explained that this means effectively removing it from the balance sheet and putting it through the income and expenditure statement. The item will come off the balance sheet and flush through the income expenditure statement, but that income expenditure statement refreshes every year. The income expenditure statement deals with the movements of income and expenditure for that particular financial year, whereas the balance sheet is like the accumulated balances over the next year.
- It's absolutely right to mention LGR (Local Government Reorganisation), this will affect everything going forward. It's really worth taking note that we've got to sign off certain accounts before LGR happens.
- Is the cut-off date for signing off the 2026/27 accounts coming sooner now? Grant Thornton clarified that for 2026/27 and each year onwards, the cut-off would be 30th November of that same year, whereas for example the cut-off for 2024/25 is the end of February. They explained FHDC is in a better position than some authorities as their accounts are unqualified, but acknowledged that the timeframe may be challenging overall. When LGR is implemented, it's important to have a plan to prepare the final year's accounts, which will be an extra challenge on top of the deadline coming forward.
- This meeting was originally due to happen in December, it's now the end of January and a month before cutoff, which is going to make things really tight. A week isn't very long to go through this paperwork.
- Are there any lessons from this year's accounts that we can take forward? The Chief Officer (Finance) advised he could not think of any, drawing attention to the matter of IFRS16 which was raised at the July

2025 meeting, and the positive response to that by the auditors. He advised the findings are reducing each year, so it will be a case of continuing to tweak and improve processes.

- The Director of Finance advised Members that the Finance team has been restructured in the past year, and is now in a better place with greater capacity. He also referenced the new finance system which will aim to make the accounts process more efficient.

Councillor Prater (Cabinet Member for Finance and Governance) thanked the auditors and the Finance team for their work in delivering the accounts.

Proposed by Councillor Godfrey
Seconded by Councillor Walker; and,

Resolved:

1. **To receive and note the Auditor's 2024/25 Audit Findings Report (AFR) (ISA 260) on the Statement of Accounts for 2024/25 (Appendix 1).***
2. **To approve the updated and audited Statement of Accounts for 2024/25 (Appendix 2) and note that the final version will be signed by the Chair and S151 Officer***
3. **To approve the Management Letter of Representation (Appendix 3) and note that it will be signed by the Chair of the Audit & Governance Committee and the Director of Finance (S151 Officer) on the approved 2024/25 Statement of Accounts.**
4. **To approve the revised Annual Governance Statement (Appendix 5) incorporating revisions based on feedback from the auditors.**
5. **To receive and note the Auditor's annual report 2024/25 (Appendix 6).**
6. **To receive and note the audit certificate for the prior year (2023/24) audit attached at Appendix 4.**
7. **To receive and note the Auditor's Final Audit Plan (Attached at appendix 7)**

* = the appendices associated with these recommendations may receive minor revisions as part of the audit finalisation procedures.

(Voting: 4 For, 0 Against, 0 Abstentions)

23. Health & Safety half-year update

This report set out a half-year summary of health and safety statistics on accidents, near-miss and dangerous occurrences since 01 April 2025. It also included an update on procedures, risk assessments and other information regarding health and safety activity and future reporting.

Following the introduction by the Governance, Performance and Risk Manager, Members made points including the following:

- I've noticed an increase in verbal abuse, are staff being supported with that? The Governance, Performance and Risk Manager advised the team have worked with Customer Services to develop a new procedure for managing violence, aggression and unacceptable behaviour, including a 'customer of concern' register. It's possible that incidents were previously going unreported, but these are now being tracked. Staff are being looked after, and trained in how to deal with these situations.
- The Councillor Safety training session was really useful.
- With regards to Beach Risk Assessments, is the council able to get more involved regarding water quality? The Governance, Performance and Risk Manager advised he would take the question to the relevant team and find out, as the report focuses more on access to the beach.
- Are the beach lifebuoys the council's responsibility? The Governance, Performance and Risk Manager advised again that he would find out.
- Is any consideration given to staff members who live alone? The Governance, Performance and Risk Manager confirmed the report is referring more to people who work out and about, and advised that the people who manage these staff are encouraged to check in with them when they have returned.

Proposed by Councillor Walker
Seconded by Councillor Wing; and,

Resolved:

1. To receive and note report AuG/25/16

(Voting: 4 For, 0 Against, 0 Abstentions)

24. Annual Governance Statement Actions - update on 2025/26 actions

This report presented the current position on progress towards achieving the 2025-26 actions set out in the Annual Governance Statement.

Following the introduction by the Governance, Performance and Risk Manager, Members made points including the following:

- The governance items still in progress are identified and being dealt with, so looking forward to the final update at the meeting in July.
- Is there anything the committee should be monitoring more closely? The Governance, Performance and Risk Manager advised that the arrangements are reviewed every year, and if there is anything else to take into consideration that will be brought to the next meeting.

Proposed by Councillor Wing

Seconded by Councillor Walker; and,

Resolved:

- 1. To receive and note report AuG/25/17**
- 2. To note the progress towards achieving the actions in the Annual Governance Statement (Appendix 1).**

(Voting: 4 For, 0 Against, 0 Abstentions)