

---

## Audit Committee

---

**MINUTES** of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT on Wednesday, 16 July 2025 from 7.00 pm - 8.00 pm.

**PRESENT:** Councillors Andy Booth, Derek Carnell, Simon Clark (Vice-Chair), Charles Gibson (Chair), Angela Harrison, Richard Palmer, Terry Thompson and Dolley Wooster.

**OFFICERS PRESENT:** Lisa Fillery, Mark Goodwin, Kellie MacKenzie, Claire Stanbury and Katherine Woodward.

**APOLOGIES:** Councillor Tara Noe.

### 190 **Emergency Evacuation Procedure**

The Chair outlined the emergency evacuation procedure.

### 191 **Minutes**

The Minutes of the Meeting held on 23 April 2025 (Minute Nos. 806 – 816) and the Meeting held on 14 May 2025 (Minute Nos. 34 – 35) were taken as read, approved and signed by the Chair as correct records.

### 192 **Declarations of Interest**

No interests were declared.

### 193 **Annual Internal Audit Report and opinion 2024/25**

The Head of Internal Audit introduced the report as set out in the agenda papers. She referred to the Head of Internal Audit's opinion as set out on page nine of the report "*It is my opinion that a **sound** assurance can be placed upon the systems in place that ensure adequate and effective risk management, control and governance processes exist to manage the achievement of the Council's objectives.*" She added that it was important to note that this opinion fed into the Statement for 2024/25, which supported the Annual Governance Statement of Accounts and were issued to the external auditors.

The Head of Internal Audit summarised: the basis of forming the Annual Audit Opinion; Audits with a Formal Opinion and Issued report; Additional Sources of Assurances and Consultancy Work; and following up of actions.

The Chair invited Members to ask questions, and points raised included:

- Compared to other Local Authorities there had been few cases of fraud at SBC, how had the Council achieved this?;
- concerned that 'Commercial Property Income' had a weak assurance as it was a key part of the Council's budget;
- did the Council monitor quality control for building control, or was it monitored nationally?;
- the checks around the quality of energy consumption needed to be 'tightened-up';

- aware of some poor level of building control inspections recently, and need to ensure that the Council was not responsible;
- pleased that there were no overdue actions;
- South Thames Gateway (STG) provided the best in building control services;
- asked that the wording be tightened up to ensure that private companies did engage with STG;
- referred to the server outage recently due to the hot weather and asked that some resilience be put in place to ensure ICT had it covered.

In response, the Head of Internal Audit said that she was asked annually as part of the external auditor's Value for Money conclusion, how she considered the Council managed fraud and what processes and procedures were in place. The Director of Resources outlined some of the processes the Council had in place to minimise the risk. The Head of Internal Audit reported that a draft report on, Commercial Property Income, would be considered at the meeting in October 2025.

The Director of Resources explained that building control was a local authority function provided by STG Building Control which was a partnership between SBC, Canterbury City Council, Gravesham Borough Council, and Medway Council. STG were responsible for building control quality and any building deemed structurally dangerous, and worked to national standards. The Head of Internal Audit added that building control was also regulated by Local Authority Building Control, The Building Safety Regulators and Health and Safety Executive (HSE).

In response to a query about the quality of energy consumption on new builds, the Head of Audit agreed to liaise with STG and report back to the Member. A Member also offered to provide the Members with some information outside of the meeting.

The Director of Resources reported that the recent IT outage was not an audit issue but a risk and emergency planning recovery issue. A briefing note would be sent to all Members in due course.

The Chair thanked officers for the positive report.

Councillor Angela Harrison proposed the recommendations, which were seconded by Councillor Derek Carnell.

**Resolved:**

- (1) That the Head of Internal Audit Partnership Annual Audit opinion for 2024/25 be noted.***
- (2) That the work underlying the opinion and the Head of Internal Audit Partnership's assurance of its independent completion in conformance with proper standards be noted.***

**194 Annual Treasury Management Report 2024/25**

The Head of Finance and Procurement introduced the report as set out in the agenda pack. The report set out the final outturn position of treasury management transactions for 2024/25, including compliance with treasury limits and Prudential and Treasury Management Indicators. It also sought Members approval to update indicators that had been agreed as part of the 2025/26 Treasury Management Strategy.

In response to a question from a Member, the Head of Finance and Procurement reported that the Council's two leased car parks were The Forum Car Park, and Crown Quay Lane Car Park.

Councillor Andy Booth proposed the recommendations, which were seconded by Councillor Dolley Wooster.

***Resolved:***

- (1) That the Treasury Management outturn report for 2024/25 be noted.***
- (2) That the changes to the operational boundary for external debt and the external limit for external debt be approved.***

**195 Updated Risk Management Policy Statement, Strategy & Framework**

The Audit Manager introduced the report as set out in the agenda pack, which provided an overview of the changes contained in the new 'Risk Management Policy Statement, Strategy & Framework', as set out at Appendix I of the report.

The Chair invited questions from Members, and points raised included:

- Welcomed the really good report;
- could a case study be provided on the risk of Local Government Reform (LGR)?;
- was there a separate list for environment and climate change risks?; and
- a positive and helpful report.

In response, the Director of Resources reported that LGR had been added to the Council's Risk Register which was monitored by the Policy and Resources Committee. The Council was relying on case studies from authorities that had already been through LGR to inform the Council's processes. The Head of Internal Audit added that LGR would have its own risk register and management framework. With regard to environment and climate change this was included under 'strategic objectives' of the Council, rather than just under environment.

Councillor Angela Harrison proposed the recommendation, which was seconded by Councillor Richard Palmer.

***Resolved***

- (1) That the revised 'Risk Management Policy Statement, Strategy & Framework' be approved.***

**196 Updated Whistleblowing Policy**

The Audit Manager introduced the report as set out in the agenda pack, which provided an overview of the changes contained in the Swale Borough Council (SBC) Whistleblowing Policy, as set out at Appendix 1 of the report.

The Chair invited questions from Members, and points raised included:

- Welcomed the updated policy;

- referred to the final sentence on page 83 of the report, and considered it needed to be reworded to ensure that anyone that had been bullied or coerced into doing something wrong would be guaranteed immunity;
- how robust was the policy in terms of protecting the anonymity of the whistleblower?;
- hard for the Council to guarantee anonymity because if it went to Court it would come out;
- right that whistleblowing and safeguarding were under the same 'umbrella';
- considered that the Leader should cosign the policy;
- was the policy being shared with Members and our contractors?;
- need to put some hard copies of the policy around Swale House;
- this was a robust and substantial document on whistleblowing;
- Members were bound by the constitution and a code of conduct which was different from employees and contractors of the Council. Did not think it appropriate for Members to be included;
- doubted whether the Council would get more than ten whistle blowing instances, otherwise there was a serious issue;
- was there an appeals process if the complaint was not upheld?; and
- the policy was for Members not just staff.

In response, the Head of Internal Audit said that the final sentence on page 83 was referring to anyone that had 'knowingly' not done their job properly, so would not be guaranteed immunity. She agreed to review the wording, so this was clearer. She said that if people felt they had been bullied or coerced this would be covered by Human Resources and their Grievance Policies.

With regard to protecting the anonymity of the whistleblower, the Audit Manager explained that this would be considered during the investigation and agreed with the individual. He agreed to discuss with Strategic Management Team the possibility of the Leader cosigning the policy and ways to promote the policy. The Director of Resources reported that the procurement process of the Council ensured that contractors had their own whistleblowing policies in place for their staff.

The Head of Internal Audit advised that if there were significant numbers of whistle blowing then she would inform the Committee. She reported that for SBC she had looked at one incident in three years. The Head of Internal Audit said it was important that people were aware of the policy and that people felt they could raise concerns if they had them. The Audit Manager explained that the investigating officer would need to outline the reasons to the complainant why their complaint had not been upheld. A Member said any complainant not happy with the outcome could also contact external audit.

The Chair thanked officers for the report, and welcomed that it would be updated more regularly.

Councillor Andy Booth proposed the recommendation, which was seconded by Councillor Richard Palmer.

***Resolved:***

***(1) That the updated Whistleblowing Policy be approved.***

Chair

Copies of this document are available on the Council website <http://www.swale.gov.uk/dso/>. If you would like hard copies or alternative versions (i.e. large print, audio, different language) we will do our best to accommodate your request please contact Swale Borough Council at Swale House, East Street, Sittingbourne, Kent, ME10 3HT or telephone the Customer Service Centre 01795 417850.

All minutes are draft until agreed at the next meeting of the Committee/Panel