

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 5th September, 2016

Present: Cllr V M C Branson (Chairman), Cllr M C Base (Vice-Chairman), Cllr T Bishop, Cllr S R J Jessel, Cllr Mrs F A Kemp and Cllr S C Perry

Grant Thornton, External Auditors: Ms S Ironmonger (Engagement Lead) and Mr T Greenlee (Audit Manager)

Councillors Mrs J A Anderson, O C Baldock, M A Coffin, N J Heslop and M R Rhodes were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors T Edmondston-Low, B T M Elks and B W Walker

PART 1 - PUBLIC

AU 16/40 DECLARATIONS OF INTEREST

There were no declarations of interest made in accordance with the Code of Conduct.

AU 16/41 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 20 June 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

AU 16/42 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW 2016/17

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during April to July of the current financial year and included a mid-year review of the current financial year's Annual Investment Strategy. Members were reminded of the parameters which aimed to limit the Council's exposure to investment risks and invited to note the review of the Council's long term cash balances.

Reference was made to the recent reduction in Bank Rate to 0.25% and the likely impact on investment income in the current financial year and over the medium term. Attention was drawn to the possible use of property and similar funds to mitigate some of that impact and their potential use for 'new money' derived from the sale of surplus assets.

RECOMMENDED: That the following be commended to the Council:

- (1) the action taken by officers in respect of treasury management activity for the period April to July 2016 be endorsed;
- (2) the existing parameters intended to limit the Council's exposure to investment risks be retained; and
- (3) the review of the Council's long term cash balances and the use of property funds for subsequent consideration by the Audit Committee in January 2017 be noted.

DECISIONS TAKEN UNDER DELEGATED POWERS IN ACCORDANCE WITH PARAGRAPH 3, PART 3 OF THE CONSTITUTION

AU 16/43 EXTERNAL AUDITORS REPORT ON THE OUTCOME OF THE AUDIT OF THE STATEMENT OF ACCOUNTS 2015/16

The report of the Director of Finance and Transformation presented the External Auditors' report on the outcome of the Audit of the Statement of Accounts 2015/16. Members were reminded that, under the Council's constitutional arrangements, the outcome of the audit of the Accounts had to be considered and approved by the Audit Committee before the Accounts were signed off by the Engagement Lead. The officers provided an update on a number of procedural matters which had not been finalised prior to publication of the agenda and the external auditors confirmed that they intended to issue an unqualified audit opinion on the financial statements and value for money conclusions contained in their report.

RESOLVED: That

- (1) the Audit Findings Report on the outcome of the audit of the Statement of Accounts for 2015/16, as set out at Annex 1 to the report, together with the associated action plan set out at paragraph 1.3.1 of the report, be approved;
- (2) the Chairman of the Audit Committee and the Director of Finance and Transformation be granted delegated authority to countersign the Letter of Representation, as set out at Annex 2 to the report and subject to the inclusion of the amendments outlined at the meeting, when the External Auditors are ready to issue their opinion; and
- (3) the Chairman be authorised to sign the Accounts in the appropriate place.

MATTERS SUBMITTED FOR INFORMATION**AU 16/44 INTERNAL AUDIT AND COUNTER FRAUD UPDATE**

The report of the Chief Audit Executive provided an update on the work undertaken by the Internal Audit and Counter Fraud functions during the period April to July 2016.

RESOLVED: That the report be received and noted

AU 16/45 EXTERNAL QUALITY ASSESSMENT

The report of the Chief Audit Executive outlined the draft results of the External Quality Assessment (EQA) of the Internal Audit services which had been undertaken in May 2016.

RESOLVED: That the report be received and noted.

AU 16/46 EXCLUSION OF PRESS AND PUBLIC

The Chairman moved, it was seconded and

RESOLVED: That as public discussion would disclose exempt information, the following matters be considered in private.

PART 2 - PRIVATE**AU 16/47 INSURANCE CLAIMS HISTORY: APRIL - JULY 2016**

(LGA 1972 Sch 12A Paragraph 3 – Financial or business affairs of any particular person)

The report of the Director of Finance and Transformation provided details of the nature and volume of liability and property damage insurance claims submitted during the period April to July 2016.

RESOLVED: That the report be received and noted.

The meeting ended at 8.21 pm