

## **TONBRIDGE AND MALLING BOROUGH COUNCIL**

### **AUDIT COMMITTEE**

**Monday, 1st October, 2018**

**Present:** Cllr V M C Branson (Chairman), Cllr R P Betts (Vice-Chairman), Cllr O C Baldock, Cllr T Bishop and Cllr Mrs F A Kemp

Grant Thornton, External Auditors: Mr C McLaughlin (Director) and Mr A Ayre (Manager)

Councillors Mrs J A Anderson, M R Rhodes and H S Rogers were also present pursuant to Council Procedure Rule No 15.21.

An apology for absence was received from Councillor T C Walker

### **PART 1 - PUBLIC**

#### **AU 18/40 DECLARATIONS OF INTEREST**

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

#### **AU 18/41 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Audit Committee held on 23 July 2018 be approved as a correct record and signed by the Chairman.

### **MATTERS FOR RECOMMENDATION TO THE CABINET**

#### **AU 18/42 REVISED STATUTORY INVESTMENT GUIDANCE AND TREASURY MANAGEMENT AND PRUDENTIAL CODES OF PRACTICE**

The report of the Director of Finance and Transformation gave details of the additional requirements imposed on local authorities through revised statutory guidance and codes of practice. These were aimed at addressing concerns arising from the commercialism agenda, in particular the use of loans and the purchase of property to generate a profit.

**RESOLVED:** That the Cabinet be recommended to

- (1) note the new requirements and disclosures contained in the Statutory Guidance on Local Government Investments 2018 Edition set out at Annex 1 to the report;
- (2) readopt the four clauses to be formally adopted, as set out in the Code and reproduced at Annex 2 to the report;

- (3) readopt the Treasury Management Policy Statement, as set out in the Code and reproduced at Annex 3 to the report;
- (4) note the new statement pertaining to investments that are not part of treasury management activity, reproduced at Annex 4 to the report;
- (5) note the additional paragraphs to be added to the Council's Treasury Management Practices, as set out at Annex 5 to the report;
- (6) note the additional paragraphs to be added to the Council's Capital Strategy, as set out at Annex 6 to the report; and
- (7) note the prudential indicators set out at Annex 7 to the report.

**AU 18/43 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW 2018/19**

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during the period April to August 2018. It also included an update on progress in securing additional property fund investment and a mid-year review of the Annual Investment Strategy and risk parameters.

**RESOLVED:** That the Cabinet be recommended to

- (1) endorse the action taken by officers in respect of treasury management activity for the period April to August 2018;
- (2) note the £5 million in property fund investments undertaken since June 2017; and
- (3) retain the existing parameters intended to limit the Council's exposure to investment risks.

**MATTERS SUBMITTED FOR INFORMATION**

**AU 18/44 INTERNAL AUDIT AND COUNTER FRAUD UPDATE**

The report of the Chief Audit Executive provided an update on the work of the Internal Audit and Counter Fraud functions for the period April to August 2018.

**RESOLVED:** That the report be received and noted.

**AU 18/45 ANNUAL AUDIT LETTER**

The report of the Director of Finance and Transformation set out details of the key messages contained in the Annual Audit Letter for the year ended 31 March 2018.

**RESOLVED:** That the report be received and noted.

**AU 18/46 GRANT THORNTON PROGRESS REPORT AND SECTOR UPDATE**

The report of the Director of Finance and Transformation provided an update from external auditors, Grant Thornton, on emerging national issues and developments relevant to Tonbridge and Malling Borough Council.

**RESOLVED:** That the report be received and noted.

**AU 18/47 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****MATTERS SUBMITTED FOR INFORMATION****AU 18/48 INSURANCE CLAIMS HISTORY; APRIL - AUGUST 2018**

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

The Director of Finance and Transformation reported on the nature and volume of liability and property damage insurance claims submitted during the period April 2018 to August 2018.

**RESOLVED:** That the report be received and noted.

The meeting ended at 8.08 pm