

## TONBRIDGE AND MALLING BOROUGH COUNCIL

### AUDIT COMMITTEE

Monday, 1st April, 2019

**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 P Dossett (Partner)

Councillors M A Coffin, N J Heslop, D Lettington and M R Rhodes 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 19/14 DECLARATIONS OF INTEREST**

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

#### **AU 19/15 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Audit Committee held on 21 January 2019 be approved as a correct record and signed by the Chairman.

### MATTERS FOR RECOMMENDATION TO THE COUNCIL

#### **AU 19/16 AUDIT COMMITTEE ANNUAL REPORT**

The report of the Chairman of the Audit Committee aimed to inform the Council of the means by which the Committee had provided independent assurance to those charged with governance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance processes. The report summarised the work carried out by the Committee during 2018/19 and concluded that the required assurance set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance had been provided by the Audit Committee to those charged with governance. The Leader of the Council thanked the Chairman and the members of the Audit Committee for their due diligence over the previous twelve months.

**RECOMMENDED:** That the Annual Report be presented to the Council as independent assurance on the adequacy of the risk management



framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

**\*Referred to Council**

#### **AU 19/17 LOCAL CODE OF CORPORATE GOVERNANCE**

The joint report of the Chief Executive and the Director of Central Services reminded Members that the Local Code of Corporate Governance had been substantially updated in 2017. Members were advised that following the adoption of the Council's new Constitution on 31 July 2018 the Local Code had been revisited and no further amendments were proposed. However, Members' attention was drawn to recent changes in Data Protection legislation and the need to update the 'Managing Data' and 'Respecting the Rule of Law' sections of the Local Code to reflect this. With regard to the latter section, and in particular the item 'Dealing with breaches of legal and regulatory provisions effectively' the Committee asked that the final paragraph be amended to read: 'The Council has appointed a Data Protection Officer, in accordance with GDPR, to ensure that following an internal investigation data breaches are reported to the ICO where necessary.'

**RECOMMENDED:** That, subject to the amendment of Section 1.3 as set out above, the revised Local Code of Corporate Governance, as set out at Annex 1 to the report, be commended for adoption by the Council. ◀

**\*Referred to Council**

#### **DECISIONS TAKEN UNDER DELEGATED POWERS IN ACCORDANCE WITH PART 3 OF THE CONSTITUTION (RESPONSIBILITY FOR COUNCIL FUNCTIONS)**

#### **AU 19/18 INTERNAL AUDIT AND FRAUD PLAN 2019/20**

The report of the Chief Audit Executive presented the Internal Audit and Fraud Plan for 2019/20 which received positive feedback from Grant Thornton, the external auditor.

**RESOLVED:** That the Internal Audit and Fraud Plan for 2019/20, as set out in Annex 1 to the report, be approved.

#### **AU 19/19 MEMBERS ASSURANCE ON COMPLIANCE WITH INTERNATIONAL STANDARDS ON AUDITING**

The report of the Chairman of the Audit Committee explained how those charged with governance were required to provide assurance to the external auditor under International Standards on Auditing. Members considered the question asked and accompanying response which had been agreed with the Chairman and noted that the Management Team was also required to provide assurance in this regard and that this was the subject of a separate report.

**RESOLVED:** That the response set out in Annex 1 to the report be endorsed.

### **MATTERS SUBMITTED FOR INFORMATION**

#### **AU 19/20 MANAGEMENT TEAM ASSURANCE ON COMPLIANCE WITH INTERNATIONAL STANDARDS ON AUDITING**

The Committee received the report of the Management Team on assurance provided to the external auditor under International Standards on Auditing. Reference was made to the similar assurance to be provided by the Audit Committee for which this report provided supporting evidence (Minute AU 19/19 refers).

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

#### **AU 19/21 TREASURY MANAGEMENT PERFORMANCE UPDATE**

The report of the Director of Finance and Transformation provided details of investments undertaken and return achieved during the period 1 April 2018 to 28 February 2019.

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

#### **AU 19/22 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 1 April 2018 to 28 February 2019. Support was expressed for a review of how Member attendance might be better communicated/published post the 2019 Borough Council Election.

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

#### **AU 19/23 SCALE OF AUDIT FEES FOR 2019/20**

The report of the Director of Finance and Transformation informed Members of the scale of fees for the audit of the 2019/20 accounts set by Public Sector Audit Appointments Limited (PSAA).

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

#### **AU 19/24 GRANT THORNTON - PROGRESS REPORT AND SECTOR UPDATE**

The report of the Director of Finance and Transformation introduced an Audit Progress Report and Sector Update provided by the External Auditor, Grant Thornton.

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

**AU 19/25 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 19/26 INSURANCE CLAIMS HISTORY: APRIL 2018 - MARCH 2019**

**(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 March 2019.

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

The meeting ended at 8.20 pm