

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 29th July, 2019

Present: Cllr V M C Branson (Chairman), Cllr Mrs F A Kemp (Vice-Chairman), Cllr T Bishop, Cllr N Foyle, Cllr P M Hickmott, Cllr J R S Lark, Cllr L J O'Toole and Cllr K B Tanner

Councillors Mrs J A Anderson, N J Heslop, M A J Hood, D W King, D Lettington, M R Rhodes and J L Sergison were also present pursuant to Council Procedure Rule No 15.21.

An apology for absence was received from Councillor S A Hudson

PART 1 - PUBLIC

AU 19/27 DECLARATIONS OF INTEREST

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

AU 19/28 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 1 April 2019 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

AU 19/29 TREASURY MANAGEMENT UPDATE AND ANNUAL REPORT FOR 2018/19

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during April to June of the current financial year within the context of the national economy. The treasury management outturn position for 2018/19 was also presented.

The report provided a commentary on investments derived from cash flow surpluses, core cash balances and other long term cash balances and it was noted that long term investment at the end of June 2019 comprised £5m in property fund investment. A full list of investments held on 30 June 2019 was set out at Annex 2 to the report.

RECOMMENDED: That the following be commended to the Council: 

- (1) the action taken by officers in respect of treasury management activity for April to June 2019 be endorsed; and

(2) the 2018/19 outturn position be noted.

***Referred to Council**

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

AU 19/30 RISK MANAGEMENT UPDATE

The report of the Management Team provided an update on the risk management process and the Strategic Risk Register.

Members were advised that, as part of the insurance package, funding had been set aside by the Council's insurers to deliver training and projects associated with risk management to all Members, and particularly to those serving on the Audit Committee. It was noted that the meeting of the Audit Committee on 1 October 2019 would be preceded by a training session to which all Members of the Council would be invited.

RESOLVED: That

(1) the updates to the Strategic Risk Register since the last iteration be noted; and

(2) the planned training session on risk management be noted.

AU 19/31 ANNUAL GOVERNANCE STATEMENT 2018/19

The report of the Management Team presented the Annual Governance Statement for the year ended 31 March 2019 which was required to be certified by both the Leader of the Council and the Chief Executive to accompany the Council's Statement of Accounts 2018/19.

The Annual Governance Statement had been prepared by way of a self-assessment questionnaire and supporting evidence and was intended to demonstrate that there was a sound system of corporate governance in place throughout the organisation.

RESOLVED: That the Annual Governance Statement for the year ended 31 March 2019, as set out at Annex 1 to the report, be endorsed.

**AU 19/32 STATEMENT OF ACCOUNTS 2018/19 AND EXTERNAL
AUDITOR'S REPORT ON OUTCOME OF AUDIT OF ACCOUNTS**

The report of the Director of Finance and Transformation presented an audited set of Accounts for 2018/19 in the format specified by the Code of Practice on Local Authority Accounting in the United Kingdom. The Annual Governance Statement (referred to at Minute AU 19/31) accompanied the Statement of Accounts.

The Committee was reminded that responsibility for approval of the Statement of Accounts was delegated to the Audit Committee under the Council's constitutional arrangements and advised that the external auditor's report on the outcome of the audit of Accounts was set out at Annex 3 to the report.

RESOLVED: That

- (1) the Statement provided by the Director of Finance and Transformation in support of assertions made in the Statement of Responsibilities for the Statement of Accounts, as set out at Annex 2 to the report, be noted;
- (2) the audited set of Accounts for 2018/19 be received and the Chairman of the Audit Committee be authorised to sign the Accounts in the appropriate place;
- (3) the Audit Findings Report on the outcome of the audit of the Statement of Accounts for 2018/19, as set out at Annex 3 to the report, be approved; and
- (4) 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 4 to the report, when Grant Thornton are ready to issue their opinion.

AU 19/33 REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

The report of the Chief Audit Executive informed the Committee of the findings of the annual review of the effectiveness of the Internal Audit function. Members were advised that the Management Team had concluded that the opinion on the effectiveness of the Internal Audit function in place for the year 2018/19 was Satisfactory.

RESOLVED: That on the basis of the findings of the review, the opinion that the effectiveness of Internal Audit function for the year 2018/19 was Satisfactory be endorsed.

AU 19/34 ROLE OF AUDIT COMMITTEE AND TRAINING NEEDS

The report of the Director of Finance and Transformation outlined the role of the Audit Committee, its Terms of Reference and proposed training/briefings to assist Members in fulfilling the responsibilities placed on the Committee.

RESOLVED: That

- (1) the Terms of Reference of the Audit Committee be noted; and

- (2) the proposed training programme, as set out at section 1.2 of the report, be noted.

MATTERS SUBMITTED FOR INFORMATION

AU 19/35 OPINION OF CHIEF AUDIT EXECUTIVE ON INTERNAL CONTROL ENVIRONMENT AND ANNUAL INTERNAL AUDIT AND COUNTER FRAUD REPORTS FOR 2018/19

The report informed the Committee of the opinion of the Chief Audit Executive on the Council's framework for governance, risk management and control together with the Internal Audit work completed during 2018/19 to support that opinion. The report also informed the Committee of the work carried out by the Counter Fraud function in 2018/19.

RESOLVED: That the report be received and noted.

AU 19/36 AUDIT FEE LETTER 2019/20

The Director of Finance and Transformation reported receipt of the Audit Fee Letter for 2019/20 from Grant Thornton which gave details of the Council's audit fee of £35,248 (which was the same as that for 2018/19) together with the scope and timing of audit work and the audit team.

RESOLVED: That the report be received and noted.

AU 19/37 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.30 pm