

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

MINUTES

Monday, 4th April, 2022

Present: Cllr Mrs F A Kemp (Chairman), Cllr N Foyle (Vice-Chairman), Cllr T Bishop, Cllr R I B Cannon, Cllr A Cope, Cllr N J Heslop and Cllr M R Rhodes.

(Note: As Councillor P M Hickmott was unable to attend in person and participated via MS Teams he was unable to vote on any matters.)

Councillors M A J Hood, D W King, M D Boughton, V M C Branson, M A Coffin, D Harman, Mrs A S Oakley, W E Palmer and J L Sergison participated via MS Teams and joined the discussion when invited to do so by the Chairman in accordance with Council Procedure Rule No 15.21.

An apology for absence was received from Councillor J R S Lark.

PART 1 - PUBLIC

AU 22/12 NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members present.

AU 22/13 DECLARATIONS OF INTEREST

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

AU 22/14 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 24 January 2022 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

AU 22/15 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

2021/22 and concluded that the required assurance, as defined in the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance, had been provided by the Audit Committee to those charged with governance.

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**

DECISIONS TAKEN UNDER DELEGATED POWERS

AU 22/16 RISK MANAGEMENT

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

RESOLVED: That the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as 'RED' be noted.

AU 22/17 INTERNAL AUDIT CHARTER

The report of the Chief Audit Executive presented the Internal Audit Charter for Member consideration and approval. It was noted that the Charter had been reviewed against the Public Sector Internal Audit Standards (PSIAS) and continued to meet the requirements of a formal Charter. It was further noted that amendments had been made in respect of Independence and Objectivity to reflect the need to provide an alternative source of assurance for Counter Fraud services as this sat within the remit of the Chief Audit Executive and in respect of Partnership Working to state that the whole Internal Audit and Counter Fraud function was delivered under an Inter Authority Agreement with Kent County Council. It was reported that the Management Team had approved the Charter on 8 March 2022.

RESOLVED: That the Internal Audit Charter, as attached at Annex 1 to the report, be approved.

AU 22/18 INTERNAL AUDIT AND FRAUD PLAN 2022/23

The report of the Chief Audit Executive presented the Internal Audit and Fraud Plan for 2022/23 which had been developed using a risk-based approach to determine the priorities of the internal audit activity consistent with the organisation's goals. Significant risk areas and priorities had been identified through a risk assessment which included reviews of the Strategic and Service Risk Registers, analysis of the wider environment, use of organisational knowledge and discussions

with Service Heads and Directors both individually and collectively as part of Service Management Teams. The Plan had been reviewed and endorsed by the Management Team.

RESOLVED: That the Internal Audit and Fraud Plan for 2022/23, as set out at Annex 1 to the report, be approved.

MATTERS SUBMITTED FOR INFORMATION

AU 22/19 TREASURY MANAGEMENT PERFORMANCE UPDATE

The report of the Director of Finance and Transformation provided details of investments undertaken and the return achieved for the first eleven months of the financial year 2021/22.

RESOLVED: That the report be noted.

AU 22/20 INTERNAL AUDIT AND COUNTER FRAUD UPDATE

Members were provided with an update on the work of both the Internal Audit function and the Counter Fraud function for the period April 2021 to March 2022.

Members' attention was drawn to the issue of a 'No Assurance' opinion in respect of the audit findings on Data retention, principle 5 of the General Data Protection Regulation (GDPR), as set out in Annex 1 to the report. Members expressed serious concern about this opinion and requested that the Data Protection Officer and the Chief Audit Executive provide an update report on this matter to the next meeting of the Committee.

RESOLVED: That the report be noted.

AU 22/21 GRANT THORNTON 2021/22 AUDIT PLAN

The report of the Director of Finance and Transformation introduced the 2021/22 Audit Plan received from the external auditors in respect of the audit of the Council's financial statements which was presented by Mr Paul Dossett, Engagement Lead, and Mr Omer Awais, Audit Manager.

RESOLVED: That the report be noted.

AU 22/22 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 22/23 INSURANCE CLAIMS HISTORY**

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

The report of the Director of Finance and Transformation informed Members as to the nature and volume of liability and property damage insurance claims submitted for the year ended 31 March 2022. It was noted that additional claims in respect of property damage arising from Storm Eunice and malicious damage to public conveniences in Tonbridge which had occurred on 30/31 March would be reported to the next meeting of the Audit Committee.

RESOLVED: That the report be noted.

The meeting ended at 8.35 pm