

**TONBRIDGE AND MALLING BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**MINUTES**

**Monday, 25th July, 2022**

**Present:** Cllr Mrs F A Kemp (Chair), Cllr N Foyle (Vice-Chair), Cllr T Bishop, Cllr R I B Cannon, Cllr N J Heslop, Cllr J R S Lark, Cllr M R Rhodes and Cllr M A J Hood.

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

An apology for absence was received from Councillor N G Stapleton.

**PART 1 - PUBLIC**

**AU 22/24 NOTIFICATION OF SUBSTITUTE MEMBERS**

Notification of substitute members were recorded as set out below:

Cllr M Hood – substitute for Cllr Stapleton

In accordance with Council Procedure Rules 17.5 to 17.9 this Councillor had the same rights as the ordinary member of the committee for whom they were substituting.

**AU 22/25 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct. In the interests of transparency, Councillor T Bishop advised that he was one of the Council's appointees to the Tonbridge and Malling Leisure Trust to which reference was made in the report on Risk Management.

**AU 22/26 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Audit Committee held on 4 April 2022 be approved as a correct record and signed by the Chair.

**MATTERS FOR RECOMMENDATION TO THE COUNCIL****AU 22/27 LOCAL CODE OF CORPORATE GOVERNANCE**

The joint report of the Chief Executive and the Director of Central Services informed Members of the outcome of the annual review of the Local Code of Corporate Governance. Particular attention was drawn to the consequences for the Local Code of the LGA Peer Review Challenge 2022, changes to the executive governance arrangements, the adoption of a new Kent Code of Conduct for Councillors and an internal audit of the Local Code of Corporate Governance.

**RESOLVED:** That the amendments to the Local Code of Corporate Governance, as set out at Annex 1 to the report, be approved and commended to Council for adoption. ◀

**\*Referred to Council**

**AU 22/28 TREASURY MANAGEMENT UPDATE AND ANNUAL REPORT 2021-22**

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. The treasury management outturn position for 2021/22 was also set out.

The report provided an assessment of the current economic situation and interest rate forecasts together with a commentary on investments derived from cash flow surpluses, core cash balances and other long term cash balances. A full list of investments held on 30 June 2022 was set out in Annex 1 to the report.

Member's attention was drawn to the Revenue and Capital Outturn report for 2021/22 as set out at Annex 4 which provided a summary of the investment performance. The combined performance of the Authority's investments exceeded the revised estimate by £58,949 due to the interest rate changes applied in December 2021 through to March 2022.

**RECOMMENDED:** That the following be commended to Council: ◀

- (1) the action taken in respect of treasury management activity for April to June 2022 be endorsed;
- (2) the 2021/22 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 22/29 RISK MANAGEMENT**

The report of the Management Team provided an update on the risk management process and the Strategic Risk Register where a further risk, Organisational Development including recruitment and retention/skills mix, had been categorised as RED.

**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 22/30 ANNUAL GOVERNANCE STATEMENT 2021-2022**

The report of the Management Team presented the Annual Governance Statement for the year ended 31 March 2022 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 2021/22.

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

**RESOLVED:** That the Annual Governance Statement for the year ended 31 March 2022, as set out at Annex 1 to the report, be endorsed.

**AU 22/31 STATEMENT OF ACCOUNTS 2021-2022 AND PROGRESS  
UPDATE ON AUDIT OF ACCOUNTS**

The report of the Director of Finance and Transformation presented an unaudited set of Accounts for 2021/22 in the format specified by the Code of Practice on Local Authority Accounting in the United Kingdom. Attention was drawn to the Statement of Accounts at Annex 1 which had been circulated separately and to an additional supplementary report in respect of informing the audit risk assessment which had been circulated on 22 July 2022.

**RESOLVED:** That

- (1) the unaudited set of Accounts for 2021/22 be noted and endorsed;
- (2) 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 3 to the report, be noted;

- (3) the progress update on the audit of Accounts for 2021/22 be noted; and
- (4) the content of the supplementary report circulated on 22 July 2022 be noted and any further comments by Members for inclusion in the response to the auditors be provided to the Director of Finance and Transformation by 28 July 2022.

#### **AU 22/32 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 for the year 2021/22. Members were advised that the Management Team had considered the outcome of the review and concluded that the opinion on the effectiveness of the Internal Audit function in place for the year 2021/22 was Good.

**RESOLVED:** That on the basis of the findings of the review, the opinion that the effectiveness of Internal Audit function for the year 2021/22 was Good be endorsed.

#### **MATTERS SUBMITTED FOR INFORMATION**

#### **AU 22/33 OPINION OF THE CHIEF AUDIT EXECUTIVE ON THE FRAMEWORK OF GOVERNANCE, RISK MANAGEMENT AND CONTROL TOGETHER WITH THE ANNUAL INTERNAL AUDIT REPORT AND ANNUAL COUNTER FRAUD REPORT 2021-22**

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 2021/22 to support that opinion. The report also informed the Committee of the work carried out by the Counter Fraud function in 2021/22.

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

#### **AU 22/34 INTERNAL AUDIT AND COUNTER FRAUD UPDATE AND GDPR STORAGE LIMITATION**

Further to concerns expressed by the Committee at the meeting held on 4 April 2022 (Minute AU 22/20 refers) the report of the Director of Central Services and Deputy Chief Executive provided an update on the 'No Assurance' opinion in respect of the audit findings on Data retention, principle 5 of the General Data Protection Regulation (GDPR).

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

**AU 22/35 GRANT THORNTON AUDIT PROGRESS REPORT AND SECTOR UPDATE**

The report of the Director of Finance and Transformation introduced a progress report on the audit of the 2021/22 accounts and update on emerging national issues and developments from the external auditor Grant Thornton.

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

**AU 22/36 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 8.40 pm