

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 3rd April, 2017

Present: Cllr V M C Branson (Chairman), Cllr T Bishop, Cllr B T M Elks and Cllr Mrs F A Kemp

Grant Thornton, External Auditors: Ms S Ironmonger (Engagement Lead) and Mr R Lawson (Audit Manager)

Councillors M A Coffin and N J Heslop were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors M C Base (Vice-Chairman), S R J Jessel and B W Walker

PART 1 - PUBLIC

AU 17/16 DECLARATIONS OF INTEREST

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

AU 17/17 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 23 January 2017 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO COUNCIL

AU 17/18 AUDIT COMMITTEE ANNUAL REPORT

The report of the Chairman of the Audit Committee was produced 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 assessment 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 2016/17 and concluded that the required assurance set out in the CIPFA Audit Committee Guidance had been provided 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 17/19 LOCAL CODE OF CORPORATE GOVERNANCE

Further to Minute AU 17/11 of the Audit Committee held on 23 January 2017, the joint report of the Chief Executive and the Director of Central Services set out details of the proposed revision of the Local Code of Corporate Governance following a detailed review of the current code. This had included an internal audit 'gap analysis' to identify areas where the current Local Code had not met the requirements of the framework document 'Delivering Good Governance in Local Government Framework 2016'. Additionally, attention was drawn to a number of requirements linked to provisions in the Council's Constitution which was also under review.

RECOMMENDED: That the amended Local Code for Corporate Governance, as attached to the report, be commended for adoption by the Council. ◀

***Referred to Council**

DECISIONS TAKEN UNDER DELEGATED POWERS IN ACCORDANCE WITH PARAGRAPH 3, PART 3 OF THE CONSTITUTION

AU 17/20 TREASURY MANAGEMENT UPDATE

The report of the Director of Finance and Transformation provided an update of treasury management activity undertaken during the 2016/17 financial year within the context of the national economy. Members were invited to endorse the action taken by officers and to note the treasury management position at the end of February 2017.

RESOLVED: That the Cabinet be recommended to

- (1) endorse the action taken by officers in respect of treasury management activity for the period April 2016 to February 2017; and
- (2) note the treasury position at the end of February 2017.

AU 17/21 INTERNAL AUDIT AND FRAUD PLAN 2017/18

The report of the Chief Audit Executive presented the Internal Audit and Fraud Plan for 2017/18. Consideration was given to the coverage of the plan which was informed by an assessment of the risks and audit needs

of the Council and was intended to ensure that the work of the Internal Audit and Fraud Team was effectively directed.

RESOLVED: That the Internal Audit and Fraud Plan for 2017/18, as set out in Annex 1 to the report, be endorsed.

AU 17/22 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 assure the External Auditor that the Council had complied with the requirements of the International Standards on Auditing. Members considered the questions and responses which had been prepared and agreed with the Chairman, responsibility for corporate governance now resting with the Audit Committee. It was noted that the Management Team was also required to provide assurance in this regard and this was the subject of a separate report.

RESOLVED: That the responses set out in Annex 1 to the report be endorsed and the assurance provided be agreed.

MATTERS SUBMITTED FOR INFORMATION

AU 17/23 MANAGEMENT TEAM ASSURANCE ON COMPLIANCE WITH INTERNATIONAL STANDARDS ON AUDITING

The Committee received the report of the Management Team confirming compliance with the 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 17/22 refers).

RESOLVED: That the report be received and noted.

AU 17/24 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 2016 to 28 February 2017.

RESOLVED: That the report be received and noted.

AU 17/25 GRANT THORNTON CERTIFICATION WORK 2015/16

The report of the Director of Finance and Transformation provided a summary of the outcomes of certification work carried out in 2015/16 by the Council's external auditors, Grant Thornton.

RESOLVED: That the report be received and noted.

**AU 17/26 GRANT THORNTON PROGRESS REPORT AND UPDATE AND
AUDIT PLAN 2016/17**

The report of the Director of Finance and Transformation referred to the items from Grant Thornton, the Council's external auditors. These included the Audit Plan 2016/17 which set out the proposed approach to the audit of the Council's financial statements. The Committee also received Grant Thornton's report on progress in delivering their responsibilities as the Council's external auditors together with a summary of emerging national issues and developments that might be relevant to the Council.

RESOLVED: That the report be received and noted.

AU 17/27 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 17/28 INSURANCE CLAIMS HISTORY: APRIL 2016 - MARCH 2017**

(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 2016 to March 2017.

RESOLVED: That the report be received and noted.

The meeting ended at 8.19 pm