

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

Tuesday, 3rd April, 2018

Present: Cllr V M C Branson (Chairman), Cllr T Bishop, Cllr S R J Jessel, Cllr Mrs F A Kemp and Cllr S C Perry

Grant Thornton, External Auditors: Mr C McLaughlin (Director) and Mr A Ayre (Manager)

Councillors Mrs J A Anderson, O C Baldock, M A Coffin, N J Heslop, M R Rhodes and H S Rogers were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors M C Base (Vice-Chairman) and B T M Elks

PART 1 - PUBLIC

AU 18/15 DECLARATIONS OF INTEREST

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

AU 18/16 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 22 January 2018 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

AU 18/17 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 2017/18 and concluded that the required assurance set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Practical Guidance for Local Authorities 2013 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 18/18 LOCAL CODE OF CORPORATE GOVERNANCE

Further to Minute AU 17/19 of the Audit Committee held on 3 April 2017, the joint report of the Chief Executive and the Director of Central Services reminded Members that the Local Code of Corporate Governance had been amended to reflect the Delivering Good Governance Framework 2016 produced by CIPFA/SOLACE. Members were advised that the review of the Council's Constitution would be reported to the meeting of the Overview and Scrutiny Committee to be held on 19 April 2018. Attention was drawn to the forthcoming changes in Data Protection legislation through the General Data Protection Regulation (GDPR).

The Chief Financial Services Officer reminded Members that there was no legal requirement for councils to prepare a Local Code of Corporate Governance, although it was seen as good practice, and outlined a number of minor amendments to the text of the supporting evidence set out in Annex 1 to the report. In response to a comment on the role of the Overview and Scrutiny Committee at Section 2.1 of the Annex the Leader referred to the historical context of that Committee and the development of Advisory Boards to aid governance arrangements within this Authority.

RECOMMENDED: That, subject to some minor textual amendments, the revised Local Code for Corporate Governance, as set out at Annex 1 to the report, be commended for adoption by the Council. ◀

***Referred to Council**

MATTERS FOR RECOMMENDATION TO THE CABINET

AU 18/19 TREASURY MANAGEMENT UPDATE

The report of the Director of Finance and Transformation provided an update of treasury management activity undertaken during the 2017/18 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 2018.

RESOLVED: That the Cabinet be recommended to

- (1) endorse the action taken by officers in respect of treasury management activity for the period April 2017 to February 2018; and
- (2) note the treasury position at the end of February 2018.

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

AU 18/20 INTERNAL AUDIT AND FRAUD PLAN 2018/19

The report of the Chief Audit Executive presented the Internal Audit and Fraud Plan for 2018/19. 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. Members welcomed the intention to focus on the recuperation of income arising from the fraudulent use of Blue Badges and the clarity of the Table attached to Annex 1 to the report.

RESOLVED: That the Internal Audit and Fraud Plan for 2018/19, as set out in Annex 1 to the report, be endorsed.

AU 18/21 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. 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, subject to some minor textual amendments, the responses set out in Annex 1 to the report be endorsed and the assurance provided be agreed.

MATTERS SUBMITTED FOR INFORMATION

AU 18/22 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 18/21 refers).

RESOLVED: That the report be received and noted.

AU 18/23 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 2017 to 28 February 2018.

RESOLVED: That the report be received and noted.

AU 18/24 GRANT THORNTON - EXTERNAL AUDIT PLAN

The Director of Finance and Transformation presented the External Audit Plan for the year ended 31 March 2018. Attention was drawn to the proposed approach to the audit of the Council's financial statements and the identified risks to be considered by the external auditor.

RESOLVED: That the report be received and noted.

AU 18/25 SCALE OF AUDIT FEES FOR 2018/19

The report of the Director of Finance and Transformation informed Members of the scale of audit fees for the audit of the 2018/19 accounts set by Public Sector Audit Appointments Limited (PSAA).

RESOLVED: That the report be received and noted.

AU 18/26 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 18/27 INSURANCE CLAIMS HISTORY: APRIL 2017 - MARCH 2018

(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 2017 to March 2018.

RESOLVED: That the report be received and noted.

The meeting ended at 8.19 pm