

# **TONBRIDGE AND MALLING BOROUGH COUNCIL**

## **AUDIT COMMITTEE**

**Monday, 28th September, 2020**

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

Grant Thornton, External Auditors: Mr P Dossett

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

An apology for absence was received from Councillor N Foyle

### **PART 1 - PUBLIC**

#### **AU 20/29 DECLARATIONS OF INTEREST**

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

#### **AU 20/30 MINUTES**

**RESOLVED:** That, subject to the amendment of the final paragraph of Minute AU 20/15 to read that 'At the end of May, 91% had been distributed' when referring to the £18.7M Government funding, the Minutes of the meeting of the Audit Committee held on 27 July 2020 be approved as a correct record and signed by the Chairman.

### **MATTERS FOR RECOMMENDATION TO THE CABINET**

#### **AU 20/31 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW**

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during April to August of the current financial year within the context of the national economy. A mid-term review of the Treasury Management and Annual Investment Strategy for 2020/21 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 the additional pressure placed on the Council's finances by the pandemic was noted. A full list of investments held on 31 August 2020 was set out at Annex 1 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 August 2020 be endorsed; and
- (2) the existing parameters intended to limit the Council's exposure to investment risks be retained.

**\*Referred to Cabinet**

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

**AU 20/32 RISK MANAGEMENT**

The report of the Management Team provided an update on the risk management process and the Strategic Risk Register. Members were reminded that a number of risks on the Strategic Risk Register had been re-categorised as RED as a result of the Covid-19 pandemic and noted that, while work to assess and determine how the Council might best address the increased risk, it would be some time before the full extent of the impact would be understood.

**RESOLVED:** That the updates to the Strategic Risk Register be noted.

**AU 20/33 STATEMENT OF ACCOUNTS 2019/20 AND EXTERNAL AUDITORS  
REPORT ON THE OUTCOME OF THE AUDIT OF ACCOUNTS**

The report of the Director of Finance and Transformation presented an audited set of Accounts for 2019/20 in the format specified by the Code of Practice on Local Authority Accounting in the United Kingdom.

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 had been circulated as a supplemental report together with the proposed Letter of Representation to be countersigned by the Chairman.

**RESOLVED:** That

- (1) the audited set of Accounts for 2019/20, as set out at Annex 1, be received and the Chairman of the Audit Committee be authorised to sign the Accounts in the appropriate place;
- (2) the Audit Findings Report on the outcome of the audit of the Statement of Accounts for 2019/20 be approved; and
- (3) the Chairman of the Audit Committee and the Director of Finance and Transformation be granted delegated authority to countersign

the Letter of Representation when Grant Thornton issue their opinion.

### **MATTERS SUBMITTED FOR INFORMATION**

#### **AU 20/34 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 April to August 2020.

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

#### **AU 20/35 GRANT THORNTON PROGRESS REPORT AND SECTOR UPDATE**

The report of the Director of Finance and Transformation introduced the Audit Progress Report and Sector Update prepared by Grant Thornton on emerging national issues and developments relevant to the Borough Council. Mr Paul Dossett, Engagement Lead, presented the reports and answered questions raised by Members.

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

#### **AU 20/36 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 20/37 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 period April 2020 to August 2020.

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

The meeting ended at 8.46 pm  
having commenced at 7.33 pm