

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

MINUTES

Monday, 17th April, 2023

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 M R Rhodes and Cllr H S Rogers (substitute member).

Virtual: Councillors R P Betts, M A Coffin and W E Palmer 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 23/11 NOTIFICATION OF SUBSTITUTE MEMBERS

Notification of a substitute Member was recorded as set out below:

- Cllr Rogers substituting for Cllr Lark

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 23/12 DECLARATIONS OF INTEREST

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

AU 23/13 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 16 January 2023 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

AU 23/14 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 2022/23 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**

MATTERS FOR RECOMMENDATION TO THE CABINET

AU 23/15 RISK MANAGEMENT

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

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

***Referred to Cabinet**

DECISIONS TO BE TAKEN UNDER DELEGATED POWERS

AU 23/16 INFORMING THE AUDIT RISK ASSESSMENT FOR TONBRIDGE AND MALLING BOROUGH COUNCIL 2022/23

The report of the Director of Finance and Transformation contributed towards the effective two-way communication between Tonbridge and Malling Borough Council's external auditors and the Audit Committee, as 'those charged with governance' in respect of the audit of the financial statements.

During discussion, reassurance was provided that procedures were in place to identify fraudulent Covid business support claims.

RESOLVED: That the responses to the questions set out at Annex 1 of the report, be endorsed.

AU 23/17 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 an amendment had been made in respect of authority to reflect the person fulfilling the role of Chief Audit Executive as this was no longer the Audit and Assurance Manager but the Head of Internal Audit for Kent County Council.

It was reported that the Management Team had approved the Charter on 21 March 2023.

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

AU 23/18 INTERNAL AUDIT AND FRAUD PLAN 2023/24

The report of the Chief Audit Executive presented the Internal Audit and Fraud Plan for 2023/24 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 Directors both individually and collectively as part of Management Teams. The Plan had been reviewed and endorsed by the Management Team.

During discussion, Members welcomed the inclusion of the Local Plan and S.106 agreements in the 2023/24 Plan.

RESOLVED: That the Internal Audit and Fraud Plan for 2023/24, as set out at Annex 1 to the report, be approved.

MATTERS SUBMITTED FOR INFORMATION

AU 23/19 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 2022/23.

RESOLVED: That the report be noted.

AU 23/20 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 against the Annual Internal Audit and Counter Fraud Plan for 2022/23. The Council's activities in preventing and detecting fraud and corruption in 2022/23 to quarter 3 were detailed in the report.

Progress against the 2022/23 Internal Audit Plan was currently on target and all outstanding audits had scheduled completion dates before the presentation of the Annual report to the Committee in July 2023.

RESOLVED: That the report be noted.

AU 23/21 GRANT THORNTON 2022/23 AUDIT PLAN

The report of the Director of Finance and Transformation introduced the 2022/23 Audit Plan received from the external auditors in respect of the audit of the Council's financial statements which was presented by Ms Sophia Brown, Key Audit Manager, Grant Thornton.

RESOLVED: That the report be noted.

AU 23/22 CHAIRMAN'S ANNOUNCEMENTS

Members of the Committee requested that their appreciation to the Chief Financial Officer, Neil Lawley, be recorded.

AU 23/23 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

AU 23/24 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 2023.

RESOLVED: That the report be noted.

The meeting ended at 8.21 pm