
AUDIT COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT on Monday, 25 July 2022 from 7.00 pm - 7.17 pm.

PRESENT: Councillors Cameron Beart (Substitute for Councillor Ann Hampshire), Derek Carnell (Chair), Simon Clark, Peter Macdonald, Peter Marchington and Pete Neal.

PRESENT (Virtually): Councillor Denise Knights.

OFFICERS PRESENT: Alison Blake, Philippa Davies and Lisa Fillery.

OFFICERS PRESENT (Virtually): Billy Attaway, Julie Hetherington, Richmond Nyarko (Grant Thornton), Andrew Townsend and Darren J Wells (Grant Thornton).

ALSO IN ATTENDANCE (Virtually): Councillor Ken Rowles.

APOLOGIES: Councillors Ann Hampshire and Mike Henderson.

209 **Emergency Evacuation Procedure**

The Chair outlined the emergency evacuation procedure.

210 **Minutes**

The Minutes of the Meetings held on 9 March 2022 (Minute Nos. 666 – 670) and on 18 May 2022 (Minute Nos. 35 – 36) were taken as read, approved and signed by the Chair as correct records.

211 **Declarations of Interest**

No interests were declared.

Part B Minutes for Information

212 **Grant Thornton Audit Plan 2021/22**

Richmond Nyarko (Grant Thornton) introduced the report which presented Grant Thornton's Annual Audit Plan covering their audit of the Council's 2021/22 accounts and the process for assessing the arrangements to secure value for money in the use of resources. He referred to the tabled report, Audit Progress Report and Sector Update, which had been added to the website and circulated. Mr Nyarko outlined the five risks which were the same as recorded in the previous year. He advised that the fees had gone up from £69,769 to £71,269, which included £1,500 for International Financial Reporting Standard (IFRS) 16 disclosure work.

Resolved:

(1) That the Annual Audit Plan presented by Grant Thornton be noted.

213 Risk Management framework 2022

The Interim Head of Audit introduced the report which sought approval by the Committee in line with their governance role in overseeing the effectiveness of the Council's risk management arrangements. She reminded Members that feedback on the key changes to the Risk Management Framework had been sought from the Audit Committee in March 2022, and following the move to the committee system and revised constitution, the Risk Management Framework was now fit for purpose. The Interim Head of Audit gave an overview of the key changes, as set-out in paragraph 2.5 of the agenda pack.

Resolved:

(1) That the revised Risk Management Framework be approved.

214 Audit Committee Annual Report

The Interim Head of Audit Partnership introduced the report which set-out how the Audit Committee effectively fulfilled its duties during 2021/22. She referred to the tabled paper for this item, an updated Appendix I, which set-out a revised terms of reference for the Audit Committee, which was in-line with what was included in the new constitution. She added that there would be a programme of audit training, open to all members, to support them in their audit role.

Resolved:

(1) That the Audit Committee Annual Report for 2021/22 be agreed.

(2) That the Chair of the Audit Committee presents the report to a meeting of Full Council to demonstrate how the Committee had discharged its duties.

215 Annual Governance Statement 2021/22

The Director of Resources introduced the report which sought the agreement of the Audit Committee to the Annual Governance Statement (AGS) which would form part of the Council's Annual accounts. The AGS would be signed-off by the Leader of the Council and the Chief Executive and it would be reported back to the Audit Committee in November 2022.

Resolved:

(1) That the Annual Governance Statement be endorsed and included in the Council's Statement of Accounts 2021/22.

216 Treasury Management Outturn Report for 2021/22

The Director of Resources introduced the report which set-out the implications of treasury decisions and transactions, provided details of the outturn position on Treasury Management transactions in 2021/22, and confirmed compliance with Treasury limits and Prudential Indicators.

In response to questions, the Director of Resources confirmed that the Council's pension funds were managed and run by Kent County Council and that the two loans set-out in paragraph 2.4 of the agenda pack were short-term loans from other local authorities which provided a better rate of interest.

Resolved:

- (1) That the Treasury Management stewardship report for 2021/22 be approved.**
- (2) That the Prudential and Treasury Management Indicators be approved.**

217 Annual Internal Audit Report & Opinion 2021/22

The Interim Head of Audit Partnership introduced the report which set-out the Head of Internal Audit's annual reporting directed by the Public Sector Internal Standards. The annual opinion of the Head of Audit Partnership would feed into the Annual Governance Statement for 2021/22.

Resolved:

- (1) That the Interim Head of Audit Partnership's opinion be noted.**
- (2) That the work underlying the opinion and the Interim Head of Audit Partnership's assurance of its independent completion in conformance with proper standards be noted.**

218 Vote of Thanks

A Member gave a vote of thanks for Phil Wilson (Head of Finance and Procurement) who had recently left the Council. Members agreed that Phil had been an integral part of the Audit Committee and that he would be missed.

Chair

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All minutes are draft until agreed at the next meeting of the Committee/Panel