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## Audit Committee

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**MINUTES** of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT on Monday, 24 July 2023 from 7.00 pm - 7.50 pm.

**PRESENT:** Councillors Andy Booth, Derek Carnell (Vice-Chair), Ann Cavanagh (Substitute for Councillor Richard Palmer), Simon Clark (Chair), Angela Harrison, Mike Henderson, Rich Lehmann and Angie Valls (Substitute for Councillor Dolley Wooster).

**PRESENT (VIRTUALLY):** Councillors Tara Noe.

**OFFICERS PRESENT:** Billy Attaway, Catherine Byford, Lisa Fillery, Mark Goodwin and Claire Stanbury.

**OFFICERS PRESENT (VIRTUALLY):** Philippa Davies and Katherine Woodward.

**APOLOGIES:** Councillors Richard Palmer and Dolley Wooster.

### 211 **Declarations of Interest**

No interests were declared.

### 212 **Minutes**

The Minutes of the Meetings held on 17 April 2023 (Minute Nos. 824 – 829) and 17 May 2023 (Minute Nos. 31 – 32) were taken as read, approved and signed by the Chair as correct records.

## **Part B Minutes for Information**

### 213 **Audit Progress Report**

Richmond Nyarko, Grant Thornton, introduced the Swale Borough Council (SBC) Audit progress report which covered progress made on delivering their responsibilities as the external auditors for SBC. He added that Grant Thornton had started the Audit Plan for 2023 and he hoped that a report would be brought to the next Audit Committee.

**Resolved:**

**(1) That the Audit Progress Report presented by Grant Thornton be noted.**

### 214 **Treasury Management Strategy**

The Head of Finance and Procurement introduced the report which gave details of the implications of treasury decisions and transactions, details of the outturn position on Treasury Management Transactions in 2022/23. She said that 2022/2023 had more activity than previous years because of the increase in inflation and borrowing rates.

The Chair invited Members to make comments which included:

- Did we need return to the COVID-19 funding from the government because the

Council did not spend it?;

- with the borrowing rates increasing could SBC look to the government to help with borrowing gaps?;
- did the long-term liability finance leases include fleet vehicles?; and
- had the Council looked at placing the order for fleet vehicles under the new waste contract to ensure that there was no delay on the new vehicles.

The Director of Resources responded to the points raised by clarifying with Members that the long-term liabilities referred to were a limit for the Council to remain within, but in fact the Council had no long-term liabilities within the year. The Council previously had long-term liabilities which were for equipment that had been agreed in the past and were purchased as a long-term investment. She confirmed that the fleet vehicles for the waste contract had been ordered following Members approval earlier in 2023.

The Director of Resources explained to Members that SBC were only allowed to make investments and borrowing under the CIPFA Treasury Management Code and had to comply with the Treasury limits and Prudential Indicators. This meant that there were certain windows of opportunity for borrowing and that officers were constantly monitoring the market situation. She added that officers had always monitored the cashflow position to ensure that funds were available to meet the Council's expenditure requirements at any point in the year.

Finally, the Director of Resources said that the government funding relating to COVID-19 was estimated by the government based on the size of the borough and the number of businesses in the borough. As this estimate was over calculated it meant that SBC had to repay the original funding that was granted.

***Resolved:***

***(1) That the Treasury Management outturn report for 2022/23 be noted.***

215 **Annual Internal Audit Report and Opinion 2022/23**

The Head of Audit Partnership introduced the report which contained the Head of Audit Partnership's annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The Chair invited Members to make comments which included:

- The table on page 43 still showed two high priorities that had not been actioned, why had they not been actioned?;
- When would the asset inspection and maintenance of green spaces, indicated in Appendix D, and which had been postponed now take place?;
- page 49 showed that workforce planning had been considered but thought that there were was a lot of departments that needed further consideration on their long-term resilience;
- on page 49 it mentioned that a strategy had been approved on workforce planning but a progress report would not be going to committee to review, and thought that the Audit Committee or Policy and Resources Committee should be given the opportunity to review the progress of the strategy;
- was not comfortable with Councillors not knowing the results of the workforce planning strategy; and

- could a report be brought to future committee meetings so that Members could review the progress of any workforce planning strategies?

The Director of Resources responded to the comments and said that workforce planning formed part of the risk management reporting and that it would be picked up by the Policy and Resources Committee.

The Head of Audit Partnership explained that internal audit had looked at the strategies for workforce planning and that senior management had oversight of the specific issues.

The Head of Audit Partnership responded to the two high priorities that had not been actioned to say that they had now been, but not in time to include within report. She added that the asset inspection audit had commenced.

***Resolved:***

***(1) That the Head of Audit Partnership's opinion be noted.***

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

Chair

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