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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 Wednesday, 17 July 2024 from 7.00 pm - 7.45 pm.

**PRESENT:** Councillors Derek Carnell (Vice-Chair), Simon Clark (Chair), Angela Harrison, Peter Macdonald (Substitute for Councillor Richard Palmer) and Dolley Wooster.

**PRESENT (VIRTUALLY):** Councillors Tara Noe and Terry Thompson.

**OFFICERS PRESENT:** Kellie MacKenzie, Claire Stanbury and Katherine Woodward.

**APOLOGIES:** Councillors Andy Booth, Charles Gibson and Richard Palmer.

### 98 **Emergency Evacuation Procedure**

The Chair outlined the emergency evacuation procedure.

### 99 **Minutes**

The Minutes of the Meeting held on 4 April 2024 (Minute Nos. 810 – 816) and 15 May 2024 (Minute Nos. 15 – 16) were taken as read, approved and signed by the Chair as correct records.

### 100 **Declarations of Interest**

No interests were declared.

### 101 **Annual Internal Audit Report and opinion 2023/24**

The Head of Audit Partnership introduced the report as set out in the agenda papers. She referred to the Head of Audit opinion for 2023/24 as set out in paragraph four, on page eight of the report, and that in her opinion *“Swale Borough Council has adequate and effective risk management, control and governance processes in place to manage the achieved of their objectives.”*

The Chair invited Members to ask questions and make comments, and these included:

- Cyber security and IT disaster recovery were rated as ‘sound’. Would much rather they were ‘strong’ could that be achieved?;
- referred to the key indicator report recently considered by the Policy and Resources Committee, could there be a key indicator on internal audit? This would assist Members in understanding the internal audit process.;
- important to monitor closely the waste contract and grounds maintenance contract;
- planning enforcement needed to be audited as soon as possible as there were concerns; and
- referred to page 14 of the report and asked when the member input was likely to be forthcoming from group leaders on the draft Communication Strategy.

In response, the Head of Audit Partnership said that cyber security was high risk and three recommendations had been made and it was being taken very seriously. She said

she would prefer that it was 'sound' rather than 'strong' to ensure it was constantly being monitored. With regard to including internal audit as a key indicator, the Head of Audit Partnership agreed to consider the request with the Director of Resources and Members outside of the meeting.

The Head of Audit Partnership explained that they had no recommendations following the recent audit of the Grounds Maintenance contract. This was due to the fact that they had good performance measures and contract management in place. The Waste Contract would be formally audited once the contract had been in place for 12 months, to allow the new contract time to develop. However, audit were being kept informed of progress via the Council's strategic management team. The Head of Audit Partnership explained that the Audit Plan 2024-25 was flexible and would look at whether planning enforcement could be included.

The Head of Audit Partnership explained that the delay was probably due to the recent election, and she would hope comments would be received before the next Audit Committee meeting in October 2024.

Councillor Dolley Wooster moved the following motion: That the Chair of the Audit Committee writes to the Group Leaders asking why they had not responded to officers regarding the draft Communications Strategy as it needed to be actioned. This was seconded by Councillor Angela Harrison.

Councillor Harrison moved the following amendment: That Group Leaders be invited to attend an Extraordinary Audit Committee meeting to explain why they had not responded to officers on the draft Communications Strategy. This was seconded by Councillor Dolley Wooster and agreed by Members.

The Head of Audit Partnership advised that if Members were in agreement, she be allowed to contact the relevant officers to get an update. This was agreed by Members.

#### **Post Meeting note:**

The Head of Audit Partnership spoke with the relevant officers, and they confirmed that a meeting had been arranged to discuss the Communications Strategy with the Administration Group Leaders and other relevant members to progress the completion of the strategy. Once completed this will go to Policy and Resources Committee in September 2024. As the hold-up, was primarily due to the 'Pre-Election Period', it seemed reasonable that this was the earliest opportunity to get a meeting in. As progress was being made an Extraordinary Audit Committee meeting would not be necessary.

#### **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 completion in conformance with proper standards be noted.**

## 102 Treasury Management 2023/24 Outturn Report

The Head of Finance and Procurement introduced the report as set out in the agenda

papers.

The Chair invited Members to ask questions and make comments.

In response to a question from a member about how the Levelling Up Fund (LUF) grant funding fitted into treasury management and concerns around borrowing costs, the Head of Finance and Procurement explained that it was predominantly grant funded by the Government. With regard to managing borrowing costs, she stated that at year end the Council had £10m borrowing, compared to £15m excess cash. The Council were managing the cash position and ensuring that whilst interest rates were high the Council were not tied into long-term borrowing.

A Member asked whether the Council were liaising with other local authorities and lobbying government to ensure that funding for local councils was provided. Also that the Council could access the borrowing they needed to ensure statutory services could be provided. The Head of Finance and Procurement explained that the Council's borrowing was low and spoke about the Public Works Loan Board that provided low interest rates which the Council were taking advantage of. The Bank of England Interest rates were a mechanism for controlling inflation and there was little the Government, and local councils could do to lower interest rates. However, Council's had received the one-year settlement for far too long and all Councils were pushing for a multi-year settlement.

A Member asked whether the Leader of the Council would be able to liaise with other Kent Leaders to push for a multi-year settlement. Discussion ensued and it was agreed that the Chair of the Audit Committee would write to the Leader of the Council, requesting that he liaise with other Kent Leaders to lobby the government for a multi-year settlement. He should also include details of this in his Leader's Statement. This was agreed by Members.

***Resolved:***

- (1) That the Treasury Management outturn report for 2023/24 be noted.***
- (2) That the Chair of the Audit Committee write to the Leader of the Council requesting that he liaise with other Kent Leaders about lobbying the Government to provide a multi-year settlement.***

Chair

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