

## **TUNBRIDGE WELLS BOROUGH COUNCIL**

### **AUDIT AND GOVERNANCE COMMITTEE**

MINUTES of the meeting held at the Council Chamber, Town Hall, Royal Tunbridge Wells, TN1 1RS, at 6.30 pm on Tuesday, 26 July 2022

**Present: Councillor Nicholas Pope (Chair)**

**Councillors Allen, Barrass, Dawlings, Hall, McMillan, Mackonochie, Edwards, Turner and Elliott**

**Parish Representatives: Councillors Edwards and Mackonochie**

**Independent Members: Messrs Elliott and Turner**

**Officers in Attendance:** Omer Awais (Audit Manager Grant Thornton), Alison Blake (Interim Head of Audit), Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Claudette Valmond (Head of Legal Partnership and Interim Monitoring Officer) and Emer Moran (Democratic Services Officer)

**Other Members in Attendance:** Councillor Hayward

#### **CHAIRMAN'S INTRODUCTION**

AG60/22 The Chairman opened the meeting, introduced Committee members and officers in attendance, and outlined procedural matters of the meeting.

#### **APOLOGIES FOR ABSENCE**

AG61/22 Apologies for absence were received from Vice Chair Councillor Lewis.

#### **DECLARATIONS OF INTEREST**

AG62/22 No declarations of interest were received.

#### **NOTIFICATION OF VISITING MEMBERS WISHING TO SPEAK (IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 18):**

AG63/22 No notifications of any visiting members wishing to speak had been received.

#### **MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 22 MARCH 2022**

AG64/22 The minutes of the meeting of the Audit and Governance Committee dated 22 March 2022 were submitted.

**RESOLVED** – That the minutes of the Audit and Governance Committee 22 March 2022 be approved as a correct record.

#### **FUTURE WORK PROGRAMME AS AT 26 JULY 2022**

AG65/22 The Committee's work programme was presented for members' information.

**RESOLVED** – That the Future Work Programme as at 26 July 2022, be noted.

#### **STRATEGIC RISK REVIEW JULY 2022**

AG66/22 Lee Colyer, Director of Finance, Policy and Development presented his report which set out the strategic risks identified by the Council and currently being managed and tracked by senior management. The report provided a current update on the valuated threat level and controls in place for each risk issue.

- **Risk 4:** Unable to plan financially over the Longer-term.

**Discussion and questions from Members and Officer clarification included:**

- i. Notwithstanding the current inflationary pressures, it was confirmed that Tunbridge Wells Borough Council's (TWBC) accounts were in good order as shown in the External Auditor's report which outlined that the Council had a strong track record of managing its finances, responding to challenges and had a strong balance sheet, in comparison to others across the local Government sector.
- ii. At end of last financial year, the quarter 4 position presented to Cabinet showed that TWBC delivered all operational daily services within budget and funded the entire capital program without dipping into reserves with the help of the share of business rate growth 1.8 million pounds.
- iii. It was advised that a reconciliation process of the collection fund was needed and a detailed explanation of its biggest variable, the number of appeals within the system was given.
- iv. It was advised that in order to sustain the Council's finances there was a need for further injection of funding from Central Government or flexibility that enabled Local Councils to make more decisions locally.
- v. It was confirmed that the decision made to determine the continuation of discretionary services provided by the Council was a political one.
- vi. It was stated that it was the responsibility on the Council to act responsibly and take measures to start to close the deficit that existed.
- vii. It was confirmed that the Council had options available to generate capital receipts through assets available.
- viii. An explanation of Council Tax income and Planning Fees was given.
- ix. The forecasted deficit for the next financial year was confirmed to be 2.6 million pounds.
- x. Culture and Leisure were named as the discretionary services that had the largest allocation of funds assigned to them.

**RESOLVED:**

1. That the risk management report and arrangements for managing strategic risk, be noted.

**INTERNAL AUDIT ANNUAL REPORT 2021/22**

AG67/22 Members were given an overview of the Mid Kent Audit Partnership and the Internal Audit service and it was confirmed that Andrew Hamilton was appointed as the new Internal Head of Audit and was due to start 20 October 2022.

On behalf of Andrew Townsend the former Interim Head of Audit, Alison

Blake, Interim Head of Audit presented the report as per the agenda.

**Discussion and questions from Members and Officer clarification included:**

- i. No matters of significance were discussed.

**RESOLVED:**

1. That the interim Head of Audit Partnership's opinion, be noted by the Audit & Governance Committee.
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 by the Audit & Governance Committee.

**EXTERNAL AUDIT PLAN AND INFORMING THE AUDIT RISK ASSESSMENT 2021/22**

AG68/22 Mr Omer Awais, Audit Manager Grant Thornton presented his report which provided the External Audit Plan and the Informing the Audit Risk Assessment for 2021/22.

**Discussion and questions from Members and Officer clarification included:**

- i. Based on the information taken from the financial statement of 31 March 2022 and the limited liabilities in the balance sheet, Tunbridge Wells Borough Council (TWBC) were considered to be ahead of other Councils.
- ii. The focus of forward looking work was done in the Value For Money (VFM) work, and an annual audit report presented at the end of this year or early next year focused on any significant risk that would pertain the financial sustainability of TWBC.

**RESOLVED:**

1. That the Annual Audit Plan and the Informing the Audit Risk Assessment reports, be considered and agreed.

**URGENT BUSINESS**

AG69/22 There was no urgent business for consideration.

**DATE OF NEXT MEETING TUESDAY 13 SEPTEMBER 2022**

AG70/22 The next meeting of the Audit and Governance Committee was scheduled for Tuesday 13 September 2022.

NOTE: The meeting concluded at 7.18 pm.