

Ashford Borough Council Audit Committee

Minutes of a Virtual Meeting of the Audit Committee held on Microsoft Teams on the **24th November 2020**.

Present:

Cllr. Krause (Chairman);
Cllr. Buchanan (Vice-Chairman);

Cllrs. Hayward, Mulholland, C Suddards.

Apologies:

Cllrs Shorter, Walder.

In attendance:

Cllr. Burgess

Director of Finance & Economy, Head of Finance and IT, Head of Corporate Policy, ED & Comms, Senior Accountant, Accountancy Manager, Head of Audit Partnership, Deputy Head of Audit Partnership, Member Services Officer.

Engagement Manager – Grant Thornton UK.

133 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 29th September 2020 be approved and confirmed as a correct record.

134 Statement of Accounts for 2019/20 and External Auditors Findings

The Director of Finance & Economy introduced this item and apologised to Members for the late circulation of the reports. He explained that ABC and Grant Thornton (GT) had been working up to the wire to ensure the reports were concluded in time for the Meeting. The Chairman said that the Committee appreciated that working remotely during this time added additional pressure to Officers.

The Senior Accountant then explained that the audit was substantially complete and there had been very few changes to the Statement of Accounts, originally seen by the Committee in September. She confirmed that owing to the pandemic, the deadline for signing off the Accounts had been pushed back to 30th November 2020. She then took Members through the key points raised in the reports.

The Engagement Manager from Grant Thornton then covered the headline messages within the report and highlighted their responsibilities and expectations.

The Chairman thanked the Officers for their comprehensive summaries of the reports and the Committee unanimously agreed to the signing off for the Statement of Accounts on 30th November 2020.

Resolved

That the Audit Committee:-

- I. Note the Appointed Auditor's Audit Findings (Appendix A)**
- II. Agree the basis upon which the accounts have been prepared (going concern)**
- III. Approve the substantially audited 2019/20 Statement of Accounts (Appendix B)**
- IV. Delegate authority to the Chairman of this committee and the Chief Financial Officer to sign and date the accounts as required by Section 10(3) of the Accounts and Audit Regulations 2003, following the stated amendments, as approved by the Council**
- V. Approve the Chief Financial Officer's Letter of Representation to the Appointed Auditor (Appendix C)**

135 2019/20 Financial Statements – Letters of Assurance to External Auditors

The Director of Finance & Economy introduced this item and confirmed that the report sought the Committees approval for a letter from the Chairman to the external auditors on the risk framework that the Council operated within. Additionally, there was also a letter from the Director of Finance & Economy and the Head of Finance and IT written on behalf of ABC Management Team, which gave a management view on those risk areas. This allowed the external auditor to triangulate their view on the risks that the Council faced and helped them to form their audit opinion. The Chairman thanked the Director of Finance & Economy for those letters and stated that he was happy with the content within. He then opened up the item for discussion and the following points/questions were raised:

- A Member raised a concern around the Committee's approach to risk assessments. The Director of Finance & Economy advised that an update presentation on risk management framework was due at the next Audit Committee meeting in March 2021. In addition, if Members required more detail about this subject they were invited to speak outside of the Meeting with either himself, the Head of Corporate Policy, ED & Communications or the Compliance & Data Protection Manager.

Resolved:

That the Committee endorse the Chairman's and Managements assurance letters.

136 Annual Report of the Audit Committee 2019/20

The Deputy Head of Audit Partnership introduced the report which summarised the Audit Committees activities for 2019/20. He explained that the report evidenced that

the Committee had operated effectively, debated and challenged governance, internal control, risk management and the financial statements, and that it had fulfilled its duties as those that oversaw the Councils internal and external audit activity. A proposed programme of member briefings was included within the report, for the Committee to select and agree on sessions to be delivered through the course of the next year.

The Chairman thanked the Deputy Head of Audit Partnership for his comprehensive summary. He went on to say that it would be beneficial if after each briefing session, the presentation literature could be saved by the Committee for future members, or for refresher training sessions. He then opened up the item for discussion and the following points/comments were raised:

- A Member stated that financial training in particular would be welcomed, and agreed with the Chairman that a training portal utilising the briefing sessions would be very useful.

Resolved:

That the Audit Committee:-

- I. Unanimously agreed the annual report be presented to Full Council**
- II. The Chairman and Deputy Head of Audit Partnership will liaise to agree the briefing sessions to be delivered over the next year.**

137 Annual Governance Statement

The Head of Corporate Policy, ED & Communications introduced this item and explained that after the Statement was adopted in March 2020, six areas for action were set out by the Committee. Three of these areas were complete; review of contract standing orders, review of the Key Performance Indicator suite and update of the Committee report template and associated guidance. She went onto give a brief summary of the progress for each area, as outlined in the report.

Resolved

That the report be received and noted.

138 Internal Audit Interim Report - presentation

The Deputy Head of Audit Partnership introduced this item and explained the purpose of the presentation was to provide the Committee with an update on progress around the internal audit plan, and an overall update on the Audit Partnership. The presentation was jointly presented by himself and the Audit Manager, and covered the following topics:

- Introduction / the role of the Audit Partnership
- Audit Plan progress 2020/21
- Follow-up of Audit actions
- EQA recommendations progress update
- Assurance ratings consultation

With regards to deciding future actions, the Deputy Head of Audit Partnership confirmed that he would circulate the presentation to the Committee after the meeting, along with consultation questions for Members to complete and feedback on.

The Chairman opened up the item for discussion and the following points/comments were made:

- In response to a question asking whether the assessment criteria were the same for all sites in the Audit Partnership, it was confirmed that the same priority ratings, conclusions and opinions were adopted across the partnership. The criteria however was linked into individual Authorities risk tolerance and risk appetite. The Director of Finance & Economy stated that it was useful to have consistency across the sites as it aided the team to work effectively. In addition, when considering shared learning, the consistency in terminology and language would prove beneficial.
- Reference to the change in reporting and escalation cycles for audit actions within the presentation was noted and agreed by the Committee. A Member commented that there was a good degree of flexibility within the framework. The Chairman agreed that it provided a level playing field for each service area.

Resolved

That the report be received and noted.

139 Report Tracker & Future Meetings

A Member enquired about a briefing regarding risk in relation to Ashford College, which had been discussed at the previous Audit Meeting in September. It was confirmed that a briefing had taken place at the Strategic Delivery Board Meeting by the College. The Director of Finance & Economy suggested that the Overview & Scrutiny Committee was the more suitable arena for that briefing and the Compliance & Data Protection Manager would be able to look into that.

The next Audit Committee Meeting was scheduled for 16th March 2021, and this meeting would be used to set the framework for the next financial year.

Resolved:

That the Schedule of Meetings be noted.

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