

## Ashford Borough Council: Audit Committee

Minutes of a Meeting of the Audit Committee held in Committee Room 2, Civic Centre, Tannery Lane, Ashford on the **19<sup>th</sup> July 2022**.

### **Present:**

Cllr. Buchanan (Vice-Chair in the Chair);

Cllrs. Campkin, Shorter, Spain, Wright.

### **Apologies:**

Cllrs. Hayward, Krause, Smith.

### **Also in Attendance (virtually):**

Cllr. Ledger.

Accountancy Manager, Director of Customer, Technology and Finance, Interim Head of Internal Audit.

Audit Manager – Grant Thornton UK

### **In attendance:**

Deputy Chief Executive, Senior Accountant, Senior Member Services Officer.

## **98 Minutes**

### **Resolved:**

**That the Minutes of the Meeting of this Committee held on the 21<sup>st</sup> June 2022 be approved and confirmed as a correct record.**

## **99 Draft Statement of Accounts 2021/22**

The Senior Accountant introduced the item. The Draft Statement of Accounts for 2021/22 would be presented to the 'Independent Auditor' Grant Thornton and form the basis of the Audit. Once the audit was completed the Independent Auditor's report to the Members of Ashford Borough Council would be inserted into the Statement of Accounts for final approval and signing by this Committee. The final set of accounts would be accompanied by the Audit Report that would cover any material adjustments between the Draft and Final position. The draft set of accounts would also be used to start the statutory public inspection period which would commence before the last day of July in accordance with revised guidelines.

The Deputy Chief Executive advised that training on the Statement of Accounts had been undertaken via Teams the previous week. The Senior Member Services Officer confirmed that this session had been opened to all Councillors and

additionally had been made available to all Councillors to view after the training session.

Members wished to express their thanks to the Senior Accountant for such an informative and useful training session.

**Resolved:**

**That the Audit Committee;**

- a) Note the draft statement of accounts 2021/22 and support their presentation to External Audit and for Public Inspection.**
- b) Approve delegation to the Deputy Chief Executive to make changes to the Draft set of Accounts for 2021/22 before final publication (any material changes will be reported back to this committee).**

## **100 2021 Auditors Annual Report**

The Audit Manager – Grant Thornton UK advised that the report before them was a new style format and he highlighted the main changes to the Committee. In the past an unqualified or qualified decision would have been given, instead of ratings a balanced commentary was given over three themes; financial sustainability, governance and the three ‘E’s’ – improving economy, efficiency and effectiveness. The balanced commentary teased out the positive areas of the Council’s overall arrangements and where necessary areas for improvement. Any weaknesses were graded and he confirmed that no significant weaknesses had been identified during this process. Over the three themes, eight recommendations for improvement had been suggested. Management had accepted seven of these, it had been noted the response was that the cost benefit of undertaking the work may not justify the work involved.

Members noted the change to the reporting template and further that it was no longer a clear cut case of an unqualified or qualified opinion. Drawing attention to the recommendations in the report, it was questioned what weaknesses were identified to make such recommendations and how far the Council would be expected to go in meeting those.

The Audit Manager – Grant Thornton UK advised that they had not identified any significant weaknesses which was positive. Moving to the improvement recommendations, he added that there were two types; recommendations to do more within the existing arrangements or to undertake benchmarking into good practice elsewhere.

The Deputy Chief Executive concurred with the view of the Committee that any work undertaken from the recommendations should be of benefit to the Council and not just a case of reports for the sake of reports. He drew attention to the recommendation that the Management Team had not agreed with, which was the differentiation in financial planning between statutory and discretionary services. Whilst work could be done to assess what those services were, there was a greater point on how statutory services were provided. For example, the waste collection service was a

statutory service however what form did that need to take to be a statutory service? Effectively there could be different levels of a statutory service. The Audit Manager – Grant Thornton UK was aware of one Council that had undertaken work to establish what their defined ‘core offer’ was and had differentiated between their statutory and discretionary services.

There was some discussion on what benefit such work would be to the Council and as part of that it was suggested that work could be undertaken to assess the minimum level of service that could be provided in each area. This would be more self-defined and provide greater benefits to the Council should there be a return to austerity measures. Members supported this proposal and felt it appropriate to make such recommendation to the new Administration whom would be in place following the May 2023 elections.

**Resolved:**

**That the Audit Committee:**

- a) **Notes the Auditor’s Annual Report**
- b) **Recommends to the incoming Administration (from May 2023) that a review of service levels be carried out to assess what the minimum acceptable and current service levels to inform savings proposals in the event of budgetary pressures.**

## **101 Report Tracker & Future Meetings**

**Resolved:**

**That the report be received and noted.**

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