

## **TONBRIDGE AND MALLING BOROUGH COUNCIL**

### **AUDIT COMMITTEE**

**Monday, 18th January, 2021**

**Present:** Cllr V M C Branson (Chairman), Cllr Mrs F A Kemp (Vice-Chairman), Cllr T Bishop, Cllr N Foyle, Cllr S A Hudson, Cllr J R S Lark, Cllr L J O'Toole and Cllr K B Tanner.

Councillors Mrs J A Anderson, R P Betts, M A Coffin, N J Heslop, M A J Hood, D Lettington, Mrs A S Oakley, W E Palmer, M R Rhodes, H S Rogers and J L Sergison were also present pursuant to Council Procedure Rule No 15.21.

### **PART 1 - PUBLIC**

#### **AU 21/1 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

#### **AU 21/2 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Audit Committee held on 28 September 2020 be approved as a correct record and signed by the Chairman.

### **MATTERS FOR RECOMMENDATION TO THE CABINET**

#### **AU 21/3 RISK MANAGEMENT**

Members reviewed the Risk Management Strategy and accompanying Risk Management Guidance attached at Annexes 1 and 2 respectively.

The report of the Management Team also provided an update on the risk management process and the Strategic Risk Register (Annex 3). Members were reminded that as a result of the Covid-19 pandemic and measures taken in response a number of risks had been re-categorised as RED and this remained the case. There had also been significant risks identified with the Local Plan and the delivery of local elections and these had been escalated to RED.

**RECOMMENDED:** That

- (1) the Risk Management Strategy and the Risk Management Guidance be commended to the Cabinet for adoption by Full Council; and

- (2) the updates to the Strategic Risk Register since the last iteration, with particular emphasis on the escalation to Red of the risks set out in paragraph 1.4.6 of the report, be noted.

**\*Referred to Cabinet**

**AU 21/4    TREASURY MANAGEMENT UPDATE AND TREASURY  
MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR  
2021/22**

The report of the Director of Finance and Transformation provided details of investments undertaken and return achieved in the first nine months of the current financial year and introduced the Treasury Management and Annual Investment Strategy 2021/22.

In addition, the report made reference to non-treasury management practices and the required procedures to ensure compliance with the Treasury Management and Prudential Codes of Practice and Statutory Guidance on Local Government Investments. A 'practice note' which was to be applied to any assessment of a non-treasury investment and its subsequent management was attached as Annex 6.

**RECOMMENDED:** That

- (1) the treasury management position as at 31 December 2020 and the reduced level of income incorporated in the 2020/21 revised estimates be noted;
- (2) the Treasury Management and Annual Investment Strategy 2021/22 (set out at Annex 5 to the report) be adopted; and
- (3) the practice note (set out at Annex 6 to the report) to be applied to the assessment and management of a non-treasury investment be endorsed.

**\*Referred to Cabinet**

**DECISIONS TO BE TAKEN UNDER DELEGATED POWERS**

**AU 21/5    ACCOUNTING POLICIES**

The Accounting Policies proposed for the 2020/21 Financial Statements were presented for consideration and endorsement. It was noted that only minor changes were required to those adopted for 2019/20 and related to revaluation on an annual basis of investment properties and the inclusion of insured value in regard of heritage assets.

**RESOLVED:** That the Accounting Policies presented in the report to be used in the preparation of the 2020/21 Financial Statements (as set out in Annex 1) be endorsed.

**AU 21/6 ANNUAL REVIEW OF ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND WHISTLEBLOWING POLICY**

The report informed Members of the outcome of the annual review of the Borough Council's Anti-Fraud, Bribery and Corruption Policy which resulted in enhancements being made to align with the Fighting Fraud and Corruption Locally Strategy produced by local government for local government.

The Whistleblowing Policy was also presented, no changes to which were considered necessary following the annual review.

**RESOLVED:** That

- (1) the Anti-Fraud, Bribery and Corruption Policy (attached at Annex 1) be approved; and
- (2) the General Purposes Committee be invited to approve the Whistleblowing Policy (attached at Annex 2)

**AU 21/7 ANNUAL REVIEW OF ANTI-MONEY LAUNDERING POLICY**

The report of the Director of Finance and Transformation gave details of the outcome of the annual review of the Council's Anti-Money Laundering Policy and supporting guidance notes.

Reference was made to the 6th Anti-Money Laundering Directive issued in December 2020 and which was taken into account in the review. However, no changes to the Policy were considered necessary at this time.

**RESOLVED:** That the Anti-Money Laundering Policy and supporting guidance notes (attached at Annexes 1 and 2 respectively) be approved.

**MATTERS SUBMITTED FOR INFORMATION****AU 21/8 INTERNAL AUDIT AND COUNTER FRAUD UPDATE**

Members were provided with an update on the work of both the Internal Audit function and the Counter Fraud function for the period April to December 2020. Progress against the 2020/21 Plan was also reported and noted.

Particular reference was made to the requirement to undertake an External Quality Assessment in 2021. An external assessor had been procured, in partnership with Kent County Council, and the process was due to start in February.

**AU 21/9 GRANT THORNTON AUDIT PROGRESS REPORT AND SECTOR UPDATE**

The report of the Director of Finance and Transformation introduced the Audit Progress Report and Sector Update prepared by Grant Thornton on emerging national issues and developments relevant to the Borough Council. Mr Paul Dossett, Engagement Lead, presented the reports and answered questions raised by Members.

**AU 21/10 ANNUAL AUDIT LETTER**

The report of the Director of Finance and Transformation advised Members of the receipt of the Annual Audit Letter for the year ended 31 March 2020. The content was noted.

**AU 21/11 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 8.38 pm