

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

MINUTES

Monday, 24th January, 2022

Present: Cllr Mrs F A Kemp (Chairman), Cllr N Foyle (Vice-Chairman), Cllr T Bishop, Cllr R I B Cannon, Cllr N J Heslop, Cllr P M Hickmott, Cllr D W King, Cllr J R S Lark and Cllr M R Rhodes

Councillor M A J Hood was also present in the Council Chamber pursuant to Council Procedure Rule No 15.21.

Councillors Mrs J A Anderson, V M C Branson, D Harman, B J Luker, Mrs A S Oakley, W E Palmer, H S Rogers and K B Tanner participated via MS Teams and joined the discussion when invited to do so by the Chairman in accordance with Council Procedure Rule No 15.21.

PART 1 - PUBLIC

AU 22/1 DECLARATIONS OF INTEREST

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

AU 22/2 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee held on 27 September 2021 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

AU 22/3 APPOINTMENT OF EXTERNAL AUDITORS

The Director of Finance and Transformation recommended that the Council opted into the appointing person arrangements made by Public Sector Audit Appointments Limited (PSAA) for the appointment of external auditors.

It was reported that the Borough Council had previously opted into the PSAA national auditor appointment arrangements covering the five year period 2018/19 to 2022/23. It was now time to consider external audit arrangements for the period commencing April 2023 and the national appointing arrangements made by the PSAA remained the preferred option.

RECOMMENDED: That the Borough Council opts into the appointing persons arrangements made by Public Sector Audit Appointments Limited for the appointment for external auditors for the five consecutive financial years commencing 1 April 2023.

***Referred to Cabinet**

AU 22/4 AUDITORS ANNUAL REPORT

The joint report of the Chief Executive and the Director of Finance and Transformation introduced the Auditor's Annual Report prepared by Grant Thornton UK LLP on the Borough Council's arrangements for securing economy, efficiency and effectiveness in its use of resources and governance. Mr Paul Dossett, Engagement Lead, presented the report and answered questions raised.

No significant weaknesses in arrangements were identified. However, a number of improvement recommendations were made and these were detailed in the report together with management comments.

RECOMMENDED: That

- (1) the Auditor's Annual Report for 2020/21, attached at Annex 1, be approved; and
- (2) the management comments to the improvement recommendations made in paragraphs 1.2.3 to 1.2.9 be noted and endorsed.

***Referred to Cabinet**

AU 22/5 RISK MANAGEMENT

The report of the Management Team invited the Committee to review the Risk Management Strategy and accompanying Risk Management Guidance which set out the Council's risk management objectives and detailed roles and responsibilities of officers, Members and partners in the identification, evaluation and cost-effective control of risks. The report also provided an update on the risk management process and Strategic Risk Register. Whilst it was noted that no new risks had been added to the Register since the last meeting in September, the number of those categorised as 'red' remained unchanged:

- Financial position/budget deficit
- EU Transition and economic uncertainty (severely impacted by the coronavirus pandemic)
- Corporate Strategy and Savings and Transformation Strategy
- Waste Services
- Local Plan

A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the meeting in September 2021 was attached at Annex 4.

RECOMMENDED: That

- (1) the Risk Management Strategy and accompanying Risk Management Guidance be commended to the Cabinet for approval by the Council; and
- (2) the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as 'RED' be noted.

***Referred to Cabinet**

**AU 22/6 TREASURY MANAGEMENT UPDATE AND TREASURY
MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR
2022/23**

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. In addition, it provided an introduction to the 2022/23 Treasury Management and Annual Investment Strategy (attached at Annex 5), which reflected the current economic environment, Link Asset Services' latest interest rate forecast and incorporated the risk parameters summarised in the report.

RECOMMENDED: That

- (1) the treasury management position as at 31 December 2021 be noted; and
- (2) the Treasury Management and Annual Investment Strategy for 2022/23, as set out at Annex 5 to the report, be commended to Council for adoption.

***Referred to Cabinet**

DECISIONS TAKEN UNDER DELEGATED POWERS

AU 22/7 ACCOUNTING POLICIES

The Accounting Policies proposed for the 2021/22 Financial Statements were presented for consideration and endorsement. It was noted that only changes required to those adopted for 2020/21 related to the accounting treatment in respect of the charge made for the garden waste service from a cash basis to an accrual's basis and to the removal of references to the Kent Business Rates Pool for the year 2021/22.

RESOLVED: That the Accounting Policies to be used in the preparation of the 2021/22 Financial Settlements, as set out at Annex 1 to the report, be endorsed.

AU 22/8 ANNUAL REVIEW OF THE ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND THE WHISTLEBLOWING POLICY

Members were informed of the outcome of the annual review of the Borough Council's Anti-Fraud, Bribery and Corruption Policy and advised that, whilst there were no changes required at this time, it was recommended that the Policy be reviewed every two years.

The Whistleblowing Policy was also presented and Members advised that the latest review had identified that a number of changes were required to bring it up to date with best practice. These included the publication of a staff whistleblowing procedure (Annex 3) and policy for those working externally to the Borough Council who witnessed wrongdoing by employees or Members (Annex 4).

RESOLVED: That

- (1) the Anti-Fraud, Bribery and Corruption Policy be approved; and
- (2) the General Purposes Committee be invited to approve the Whistleblowing Policy (attached at Annex 2) and accompanying Whistleblowing Procedure (Annex 3) and external Policy (Annex 4).

AU 22/9 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 Borough Council's Anti-Money Laundering Policy and supporting guidance notes and advised that, whilst there were no changes required at this time, it was recommended that the Policy be reviewed every two years.

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 22/10 INTERNAL AUDIT AND COUNTER FRAUD UPDATE

Members were provided with an update on the work of both the Internal Audit and Counter Fraud functions for the period April to December 2021. Attention was drawn to the audit recommendation in respect of validation of parking permit application documents which was now closed as the risk had been accepted by the Service. Details were set out in Annex 4 for awareness.

RESOLVED: That the report be noted.

AU 22/11 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.26 pm