

TONBRIDGE AND MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 22nd January, 2018

Present: Cllr V M C Branson (Chairman), Cllr M C Base (Vice-Chairman),
Cllr T Bishop and Cllr S C Perry

Grant Thornton, External Auditors: Ms S Ironmonger (former
Engagement Lead) and Mr C McLaughlin (Engagement Lead)

Councillors P F Bolt, Mrs A S Oakley and H S Rogers were also
present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors B T M Elks,
Mrs F A Kemp and B W Walker

PART 1 - PUBLIC

AU 18/1 DECLARATIONS OF INTEREST

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

AU 18/2 MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee
held on 4 September 2017 be approved as a correct record and signed
by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

AU 18/3 RISK MANAGEMENT STRATEGY

The report of the Management Team invited Members to review the Risk
Management Strategy which set out the Council's risk management
objectives and detailed the roles and responsibilities of officers,
Members and partners in the identification, evaluation and cost-effective
control of risks. Attention was drawn to the resourcing pressures in
respect of 'Emergency Planning' and the addition of a new strategic risk
in relation to potentially contaminated land.

RECOMMENDED: That

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

- (2) the impact of ongoing resourcing pressures to respond in respect of the identified risk 'Emergency Planning' and the intention to report resourcing requirements to the next meeting of the General Purposes Committee be noted; and
- (3) the emergence of a new strategic risk in respect of the monitoring of potentially contaminated land be noted.

**AU 18/4 TREASURY MANAGEMENT UPDATE AND TREASURY
MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2018/19**

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during April to December of the current financial year. The report explored the use of diversified income funds for medium term investment and recommended their inclusion in the 2018/19 Annual Investment Strategy.

RECOMMENDED: That the following be commended to the Council

- (1) the treasury management position as at 31 December 2017 and the higher level of income incorporated in the 2017/18 revised estimates be noted;
- (2) the Council's exposure to property funds in 2018/19 as additional long term funds become available, e.g. from selling property, be increased;
- (3) the limited use of diversified income funds for medium term investment be endorsed; and
- (4) the Annual Investment Strategy for 2018/19, as set out at Annex 4 to the report, be adopted.

**DECISIONS TAKEN UNDER DELEGATED POWERS IN
ACCORDANCE WITH PARAGRAPH 3, PART 3 OF THE
CONSTITUTION**

**AU 18/5 ANNUAL REVIEW OF ANTI-FRAUD POLICIES AND
WHISTLEBLOWING POLICY**

The report of the Director of Finance and Transformation set out details of the outcome of the annual review of the Anti-Fraud, Bribery and Corruption Policy, the Housing Benefit Anti-Fraud Policy, the Council Tax Reduction, Discounts and Exemptions Anti-Fraud Policy and the Whistleblowing Policy. Members noted that, following approval, the policies would be circulated to all staff with computer access via Netconsent and would be available on the Council's internal and external websites.

RESOLVED: That

- (1) the Anti-Fraud Policies, as set out at Annexes 1, 2 and 3 to the report, be approved; and
- (2) the General Purposes Committee be invited to approve the Whistleblowing Policy as set out at Annex 4 to the report.

AU 18/6 INTERNAL AUDIT CHARTER

The report of the Chief Audit Executive provided details of the outcome of the review of the Internal Audit Charter.

RESOLVED: That the Internal Audit Charter, set out at Annex 1 to the report, be approved.

AU 18/7 ANTI-MONEY LAUNDERING POLICY

The report of the Director of Finance and Transformation set out details of a recent review of the Council's Anti-Money Laundering Policy and associated guidance following the introduction of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in June of last year. Members were advised that, in anticipation of the planned retirement of the Exchequer Services Manager on 31 March 2018, the designated Money Laundering Reporting Officer would be the Financial Services Manager. Members noted that, following approval, the policy would be circulated to all staff with computer access via Netconsent and would be available on the Council's internal and external websites.

RESOLVED: That the Anti-Money Laundering Policy and associated documentation, as set out at Annexes 1 and 2 to the report, be approved and the change of designated Money Laundering Reporting Officer be noted.

AU 18/8 ACCOUNTING POLICIES

The report of the Director of Finance and Transformation set out details of the proposed Accounting Policies to be used in the preparation of the 2017/18 Financial Statements and made particular reference to a change to be made in respect of componentisation.

RESOLVED: That the Accounting Policies to be used in the preparation of the 2017/18 Financial Statements, as set out at Annex 1 to the report, be approved.

AU 18/9 SCALE OF AUDIT FEES FOR 2018/19

The report of the Director of Finance and Transformation set out details of the proposed scale of audit fees for the work to be undertaken by appointed auditors in respect of the 2018/19 financial statements.

RESOLVED: That the proposed scale of audit fees for 2018/19 be endorsed.

MATTERS SUBMITTED FOR INFORMATION**AU 18/10 INTERNAL AUDIT AND COUNTER FRAUD UPDATE**

The report of the Chief Audit Executive provided an update on the work undertaken by the Internal Audit and the Counter Fraud functions for the period April to December 2017.

RESOLVED: That the report be received and noted.

AU 18/11 GRANT THORNTON - AUDIT COMMITTEE UPDATE

The report of the Director of Finance and Transformation provided an update and progress report on work undertaken by the external auditors, Grant Thornton. The committee welcomed the new Engagement Lead, Mr Ciaran McLaughlin, and thanked Sarah Ironmonger for her contribution to the work of the Audit Committee.

RESOLVED: That the report be received and noted.

AU 18/12 GRANT THORNTON CERTIFICATION LETTER FOR 2016/17

The report of the Director of Finance and Transformation summarised the outcomes of certification work undertaken by the Council's external auditors, Grant Thornton, for 2016/17.

RESOLVED: That the report be received and noted.

AU 18/13 ANNUAL AUDIT LETTER

The report of the Director of Finance and Transformation informed Members of the receipt of the Annual Audit Letter for the year ended 31 March 2017 and set out details of the key messages arising from audit and performance assessment work.

RESOLVED: That the report be received and noted.

AU 18/14 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.33 pm