

# **TONBRIDGE AND MALLING BOROUGH COUNCIL**

## **AUDIT COMMITTEE**

**Monday, 16th January, 2023**

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

**Virtual:** Councillors M D Boughton, V M C Branson, W E Palmer and H S Rogers participated via MS Teams and joined the discussion when invited to do so in accordance with Council Procedure Rule No 15.21.

### **PART 1 - PUBLIC**

#### **AU 23/1 NOTIFICATION OF SUBSTITUTE MEMBERS**

There were no substitute Members required for this meeting.

#### **AU 23/2 DECLARATIONS OF INTEREST**

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

#### **AU 23/3 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Audit Committee held on 26 September 2022 be approved as a correct record and signed by the Chairman.

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

#### **AU 23/4 AUDITOR'S ANNUAL REPORT**

The report of the Management Team introduced the Auditors Annual Report (attached at Annex 1) prepared by Grant Thornton UK LLP in respect of the Borough Council's overall arrangements for securing economy, efficiency and effectiveness in the use of resources.

No significant weaknesses in arrangements had been identified but a number of improvements had been recommended to the risk management process and the performance management framework. These were detailed in 1.2.4 and 1.2.5 of the report.

**RECOMMENDED:** That

- (1) the Auditor's Annual Report (attached at Annex 1) for 2021/22 be approved; and

- (2) the management comments to the improvement recommendations (detailed in 1.2.4 and 1.2.5) be noted and endorsed.

**\*Referred to Cabinet**

#### **AU 23/5 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 (attached at Annex 3). Two additional risks had been added to the Register since the last review in September 2022. These related to the implementation of the Agile software system covering Planning, Housing and Environment Health and Local Elections in May 2023. The implementation of Agile had been identified as a red risk due to the potential costs of renewing the existing software in the event of a delayed start date.

**RECOMMENDED:** That

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

**\* Referred to Cabinet**

#### **AU 23/6 TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2023-24**

The report of the Director of Finance and Transformation provided details of investments undertaken and return achieved in the first eight months of the current financial year and introduced the Treasury Management and Annual Investment Strategy 2023/24 (attached at Annex 5).

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.

**RECOMMENDED:** That

- (1) the treasury management position as at 31 December 2022 be noted; and
- (2) the Treasury Management and Annual Investment Strategy 2023/23 (attached as Annex 5) be adopted.

**\*Referred to Cabinet**

**DECISIONS TAKEN UNDER DELEGATED POWERS****AU 23/7 ACCOUNTING POLICIES**

The Accounting Policies proposed for the 2022/23 Financial Statements were presented for consideration and endorsement. It was noted that, other than a few minor textual amendments, no changes were required.

**RESOLVED:** That the Accounting Policies (set out in Annex 1 to the report) be endorsed and used in the preparation of the 2022/23 Financial Statements.

**AU 23/8 ANNUAL REVIEW OF WHISTLEBLOWING POLICY**

The report informed Members of the outcome of the annual review of the Borough Council's Whistleblowing Policy and Procedure. The external Whistleblowing Policy, which provided the public and those providing services to the organisation to raise concerns, was also presented.

As a result of the review, the procedures duplicated in the policy had been removed. In addition, some of the language had been changed in the policy to encourage staff to speak out. A copy of the Whistleblowing Policy and Procedure were attached at Annexes 1 and 2. The external Whistleblowing Policy was attached at Annex 3.

**RECOMMENDED:** That the Whistleblowing Policy (attached at Annex 1) and Procedure (attached at Annex 2) and the external Whistleblowing Policy, be approved.

**MATTERS SUBMITTED FOR INFORMATION****AU 23/9 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. Progress against the 2022/23 Plan was also reported and noted.

A summary of the current status of all audits on the 2022/23 Plan, including a summary of findings where finalised was attached at Annex 1 to the report. Planned amendments to Quarter 4 included the

implementation of the new voter identification system and attendance at the Agile System Project Board in an advisory capacity leading up to its implementation.

**RESOLVED:** That the report be noted.

**AU 23/10 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 8.15 pm