

Inquires of Management

Inquiry	Management response
General Inquiries of Management	
What do you regard as the key events or issues that will have a significant impact on the financial statements for the period end?	Prevailing economic conditions on high levels of inflation.
<p>Have you considered the appropriateness of the accounting policies adopted by Tonbridge and Malling Borough Council?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	The accounting policies to be used for the 2022/23 financial statements were considered and approved by the Audit Committee in January 2023. No events or transactions have occurred since that date to change or adopt new accounting policies.
Is there any use of financial instruments, including derivatives? If so, please explain	As part of its day to day treasury management activity the Council will hold financial instruments such as fixed term deposits and certificates of deposit during the year. The Council currently also has sums invested in three property investments and three multi-asset diversified funds.
Are you aware of any significant transaction outside the normal course of business? If so, what are they?	None to the best of our knowledge.
Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	None to the best of our knowledge.
Are you aware of any guarantee contracts? If so, please provide further details	The Council is acting as guarantor for the pension liability of Tonbridge and Malling Leisure Trust to permit its entry into the Kent County Council Superannuation Fund.
Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	None to the best of our knowledge.
Other than in house solicitors, can you provide details of those solicitors utilised by Tonbridge and Malling Borough Council during the year. Please indicate where they are working on open litigation or contingencies from prior years?	Although the authority has engaged some solicitors over the year none have been of a material financial nature.
Have any of the Tonbridge and Malling Borough Council's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	None to the best of our knowledge.

Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	None
Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	None
Fraud	
What is your assessment of how the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments	We consider that the potential for material misstatement within the financial statements due to fraud is negligible. This assessment is based upon the use of budgetary control, risk management and significant peer review by senior officers as part of the closure of accounts process. No material risks have been identified for 2022/23.
What is the process for identifying and responding to the risks of fraud in the entity, including any identified specific risks of fraud and risks of fraud likely to exist	The Internal Audit planning process carries out a risk assessment in order to score against fraud error and targets those areas where the risk is considered highest.
How do the Council's risk management processes link to financial reporting?	<p>The duty to ensure that there are appropriate systems in place to prevent and detect fraud is discharged in part by the Council's Constitution including its Financial Procedure Rules and Contracts Procedure Rules.</p> <p>The zero tolerance culture of the organisation towards fraud is reinforced by the Anti-Fraud, Bribery and Corruption Policy supported by a Whistleblowing Policy with outcomes reported to Members. Any reported allegations of fraud will be investigated and dealt with according to the relevant policies. As part of the planning process for the Annual Internal Audit Plan and for individual engagements, the Chief Audit Executive and individual auditors consider the risk of fraud and where appropriate, this will be included in scope. The subsequent reviews result in an assurance level being given to Management and Members for each audit and this is used by the Chief Audit Executive to give an overall assurance level to Members in their Annual Report. In addition, all reports and recommendations are reported to relevant Chief Officers and management with comprehensive follow-up procedures that monitor improvement. Management is required to consider fraud and error within their services as part of the risk management process and to report any concerns of fraud for investigation. Under the Anti-Fraud, Bribery and Corruption Policy, management is responsible for putting into place appropriate controls to manage those risks. No instances of alleged or suspected internal fraud were raised</p>
Do you have knowledge of any actual, suspected or alleged fraud affecting the entity	<p>There are no instances of internal fraud as far as we are aware and no other significant concerns in 2022/23 have been reported to Management Team.</p> <p>The zero-tolerance culture of the organisation towards fraud is reinforced by use of Anti-Fraud, Bribery and Corruption Policies supported by a Whistleblowing Policy with outcomes being reported to Members.</p>

	Any reported allegations of fraud will be investigated and dealt with according to the relevant policies.
Communications, if any, to those charged with governance regarding their processes for identifying and responding to the risks of fraud in the entity	Management Team reviews and submits a Strategic Risk Register for member consideration at Audit Committee, the Committee also receive reports from the Head of Internal Audit and Counter fraud on issues arising from fraud.
Communication, if any, to employees regarding their views on business practices and ethical behaviour	To make sure that all staff are fully aware of the zero tolerance culture of the organisation to fraud the Anti-Fraud, Bribery and Corruption Policy and Whistleblowing Policy are circulated to staff annually via "Net consent". This is software that requires staff to read policies and acknowledge understanding of them before they can log on to the Council's computer systems. In addition, ran an email awareness campaign as part of the Counter Fraud Awareness Week in November 2019. All staff are required to abide by the Officer's Code of Conduct and this is provided on appointment to the Council. Housing Benefits and Internal Audit and Counter Fraud staff are also required to sign annual declarations of interest.
Whether any fraud has been raised by employees or other parties	
How do you assess the overall control environment for Tonbridge and Malling Borough Council, including: <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	To the best of our knowledge there are no areas where there is a potential for override of controls or inappropriate influence over the financial reporting process.
Are there any areas where there is potential for misreporting? If so, please provide details	None to the best of our knowledge.
From a fraud and corruption perspective, what are considered to be high-risk posts? How are the risks relating to these posts identified, assessed and managed?	The Council acknowledge the inherent risk of fraud and corruption occurring within the organisation, however, while some posts may be more at risk of fraud than others, due regard of the risk is made in the control measures in place.
Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details	None to the best of our knowledge.

How do you mitigate the risks associated with fraud related to related party relationships and transactions?	See earlier responses
Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?	There were no issues raised during the year 2022/23.
Have any reports been made under the Bribery Act? If so, please provide details	None
Related Parties	
The identity of the entity's related parties, including changes from the prior period.	There are no changes in respect of related parties from the prior period; Central Government; elected Members; Chief Officers; and appointment of Councillors to local outside bodies.
What controls does Tonbridge and Malling Borough Council have in place to identify, account for and disclose related party transactions and relationships?	Members and Officers are required to relationships through register of interest, these are available on the Council's website for members and the Central Services Director for Officers.
What controls are in place to authorise and approve significant transactions and arrangements with related parties?	Where a member or officer has a related interest they are required, under the constitution, to exclude themselves from the decision making process.
The nature of the relationships between the entity and these related parties.	These form part of the notes to the statement of accounts
Whether the entity entered into any transactions with these related parties during the period	These form part of the notes to the statement of accounts
Going concern	
Whether events or conditions, that individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern were identified?	In order to assess the levels of Going Concern the Council has both a Medium-Term Financial Strategy covering a 10 year period and a Savings and Transformation Strategy, both of which are reported to members on regular intervals. These documents enable both officers and members to assess the long-term viability of the authorities finances and what savings levels are needed to ensure that Council remains a Going Concern. There are no doubts to cause concern at this stage
Litigation and Claims	
Has management identified possible litigation and claims which may give rise to a risk of material misstatement?	We are not aware of any actual or potential litigation or claims that could materially affect the financial statements.
What arrangements does management have in place to identify, evaluate and account for litigation or claims?	Any issues identified are escalated to the Corporate Management Team.

Laws and Regulations	
<p>How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Tonbridge and Malling Borough Council have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the [type of body]'s regulatory environment that may have a significant impact on the [type of body]'s financial statements?</p>	<p>The Director of Central Services and Deputy Chief Executive fulfils the statutory Monitoring Officer role including the requirement to report any legislative breaches. Internal Audit considers compliance with legislation and statutory regulations in the work they undertake and report accordingly to Management Team and the Audit Committee. In addition, all Member decision items include a section to draw out any legal implications pertaining to the subject matter.</p>
<p>How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>See above</p>
<p>Is management aware of any non-compliance with any laws and regulations?</p>	<p>None to the best of our knowledge.</p>
<p>Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details</p>	<p>No</p>