

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 19 NOVEMBER 2013

SUBMITTED TO THE COUNCIL MEETING – 10 DECEMBER 2013

(To be read in conjunction with the Agenda for the Meeting)

- |                                      |                       |
|--------------------------------------|-----------------------|
| * Cllr Tom Martin (Chairman)         | * Cllr Stephen Hill   |
| * Cllr Richard Gates (Vice-Chairman) | Cllr Jennifer O’Grady |
| * Cllr Jim Edwards                   | * Cllr Donal O’Neill  |
| * Cllr Tony Gordon-Smith             |                       |
- \* Present

27. MINUTES (Agenda Item 1)

RESOLVED that the Minutes of the Meeting held on 17<sup>th</sup> September 2013 be confirmed and signed.

28. APOLOGIES FOR ABSENCE (Agenda Item 2)

There were no apologies for absence received.

29. DISCLOSURE OF INTERESTS (Agenda Item 3)

There were no interests declared under this heading.

**PART I – RECOMMENDATIONS TO THE COUNCIL**

There were no matters falling within this category.

**PARTS II AND III – MATTERS OF REPORT**

Background Papers

The background papers relating to the following report items in Parts II and III are as specified in the agenda for the Audit Committee.

**Part II – Matters Reported in Detail for the Information of the Council**

There were no matters falling within this category.

**Part III – Brief Summaries of Other Matters Dealt With**

30. ANNUAL AUDIT LETTER 2012/13 (Agenda Item 5)

Emily Hill, the Grant Thornton External Audit Engagement Lead, was present at the meeting and introduced the Annual Audit Letter which summarised the audit of Waverley’s 2012/13 financial statements.

Audit 12  
19.11.13

The Committee noted that the Annual Audit Letter highlighted a number of areas where the Council was performing well and the key findings arising from the audit were all very positive. Members asked that it be noted that Officers were thanked for their hard work over the course of the year in achieving this and that there was a press release in the local papers highlighting this positive report.

RESOLVED that

1. The Annual Audit Letter 2012/13 be reviewed and noted;
2. There is a press release highlighting the positive conclusions from the Letter; and
3. Officers be thanked for their hard work in achieving these conclusions.

31. AUDIT FEE LETTER 2013/14 (Agenda Item 6)

Emily Hill introduced the External Audit Fees Letter, and highlighted that the Council's scale fee for 2013/14 had been set at the same level as 2012/13 of £70,951. Furthermore the scope of the audit would also remain the same. Members noted that fees may change from 2015 when the Audit Commission was no longer in place setting these scales.

RESOLVED that that the Audit Fee Letter 2013/14 be noted.

32. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Agenda Item 7)

The Committee was provided with an updated version of Annexe 1 to the report and then reviewed the progress made to date in implementing Internal Audit recommendations.

The Committee was pleased with the progress made on the recommendations since the last meeting, noting that there were only three outstanding from IT and Housing and the Heads of Service for these areas were present at the meeting to provide an update for Members.

Of those recommendations outstanding, the Committee was advised that the SAN replacement would commence on 2<sup>nd</sup> December 2013 and be completed by the end of the year. The Committee noted that a Property Services Manager was now in place to take forward the recommendations on responsive repairs – contract management. Members also noted that KPIs were being scrutinised by the Corporate Overview and Scrutiny Housing Improvement Sub-Committee.

RESOLVED that progress on the implementation of internal audit recommendations be noted.

33. INTERNAL AUDIT PLAN PROGRESS 2013/14 (Agenda Item 8)

The Internal Audit Client Manager, Gail Beaton outlined progress against the Internal Audit Plan 2013/14.

The Committee raised concern about the audit of voids management (including performance stats) being deferred until the next Audit Plan for 2014/15. Members were advised that this was because a service review was in progress and time was being spent on a responsive repairs process improvements review. It was important, and necessary, for this to take place before an audit could take place on voids management.

RESOLVED that current progress on the Internal Audit Plan be noted.

34. RISK MANAGEMENT UPDATE (Agenda Item 9)

The Committee received an update on Risk Management and a report proposing a review of the risk management policy and processes with the external risk advisor from Zurich.

The Committee was advised that in July 2013, Waverley's insurance contracts were renewed following a tender process. As part of this officers negotiated for some risk management support to be provided by Zurich Municipal's specialist risk unit and had since met and several observations were made for the Council to consider. The advisors said that the current risk assessment matrix was appropriate but felt that there were too many risks identified in the registers for it to be manageable. They suggested that reporting should be by exception only and should focus on mitigating actions. They further suggested that there needed to be an improvement in action planning and risk registers should be revised following workshops with officers.

The Committee was in agreement with the recommendations but did ask that officers still made available to Members the larger more detailed document in addition to the revised set of matrixes.

RESOLVED that officers be requested to:-

1. Review the risk management policy and processes in conjunction with the external risk advisor to ensure that they are as effective as possible and have regard to best practice guidance; and
2. Implement changes to the risk register as deemed necessary following the review and report these back to the Committee at the next meeting.

**The meeting commenced at 7.00 p.m. and concluded at 7.30p.m.**

**Chairman**