



Waverley Borough Council
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To: All Members of the AUDIT COMMITTEE
(Other Members for Information)

When calling please ask for:

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Calls may be recorded for training or monitoring

Date: 2 September 2016

Membership of the Audit Committee

Cllr John Gray (Chairman)

Cllr Richard Seaborne (Vice Chairman)

Cllr Mike Band

Cllr Christiaan Hesse

Cllr Nicholas Holder

Cllr Wyatt Ramsdale

Cllr David Round

Dear Councillors

A meeting of the AUDIT COMMITTEE will be held as follows:

DATE: TUESDAY, 13 SEPTEMBER 2016

TIME: 7.00 PM

PLACE: COMMITTEE ROOM 1, COUNCIL OFFICES, THE BURYS,
GODALMING

The Agenda for the meeting is set out below.

Yours sincerely

ROBIN TAYLOR

Head of Policy and Governance

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NOTE FOR MEMBERS

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

AGENDA

1. **MINUTES**

To confirm the Minutes of the Meeting held on Tuesday 21 June 2016 (to be laid on the table half an hour before the meeting).

2. **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

3. **DISCLOSURE OF INTERESTS**

To receive from Members, declarations of interests in relation to any items included on the Agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

4. **QUESTIONS BY MEMBERS OF THE PUBLIC**

The Chairman to respond to any questions received from members of the public of which notice has been duly given in accordance with Procedure Rule 10.

5. **AUDIT COMMITTEE WORK PROGRAMME** (Pages 7 - 8)

Attached is the recurrent work programme for the Audit Committee that sets out the major items to be completed over the year.

Recommendation

It is recommended that the Audit Committee

1. Notes the content of the work programme; and

2. Adds any additional items that they wish to include.

6. EXTERNAL AUDIT FINDINGS REPORT (Pages 9 - 44)

To receive the attached External Audit Findings Report from Grant Thornton and for Members to raise any relevant questions and observations they may have.

Recommendation

It is recommended that the Audit Committee endorses the External Audit Findings Report.

7. STATEMENT OF ACCOUNTS (Pages 45 - 54)

The purpose of this report is for the Audit Committee to consider and approve the Statement of Accounts for the year ended 31 March 2016 (provided as an individual booklet).

Recommendation

It is recommended that the Audit Committee;

1. Approves the Statement of Accounts for the financial year ended 31 March 2016; and

2. Approves the Letter of Representation for 2015/16; and

3. Confirms that the accounts have been prepared on a going concern basis; and

4. Discusses moving the Audit Committee date in June 2017 to a date in late June or early July in order to meet with the new requirements to agree the Statement of Accounts for each financial year ending 31 March by the end of July.

8. UPDATE ON INTERNAL AUDIT ANNUAL REPORT 2015-16 ACTIVITY EXCEPTION REPORT (Pages 55 - 58)

At the previous Audit Committee meeting on 21 June 2016 members noted that the information contained in the Internal Audit Annual Report for 2015-16 was comprehensive however, they requested an update on the current position of the areas raised in the report designated as 'partial assurance' (amber red) as no 'no assurance' (Red) were given in the year being reported on. The update report is attached for Members consideration.

Recommendation

It is recommended that the Audit Committee notes the status and progress made to strengthen the control environment as part of the activity completed by the Internal Audit Service in 2015-16.

9. PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2016/17 (Pages 59 - 64)

The Committee's Terms of Reference include provision for the Committee to comment on the progress made in the achievement of the Internal Audit Plan. An update on the current position of the review for 2016/17 is presented.

Recommendation

It is recommended that the Committee notes the progress for the Internal Audit Plan 2016/17 as attached at Annexe 1 and endorses the proposed inclusion of the review shown in blue.

10. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 65 - 70)

To inform the Audit Committee of Senior Management's progress in implementing the recommendations raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the target date.

Recommendation

It is recommended that the Committee:

1. considers the information contained in Annexe 1 and identifies any action it wishes to be taken; and

2. agrees an appropriate implementation date for the recommendations listed in Annexe 2.

11. ANNUAL GOVERNANCE STATEMENT (Pages 71 - 86)

To approve the attached Annual Governance Statement 2015/16.

Recommendation

It is recommended that the Audit Committee approves the attached Annual Governance Statement 2015/16.

12. COUNTER FRAUD INVESTIGATION SUMMARY (Pages 87 - 92)

The report provides an update to the Committee on the progress made by Waverley Borough Council officers on the work being completed as part of the Surrey Counter Fraud Partnership, investigating all types of fraud (excluding Housing Benefit which is now investigated by the Department for Work & Pensions through the introduction of the Single Fraud Investigation Service). This work has been supported with funding from the Department for Communities & Local Government to assist with combating fraud.

Recommendation

That the Audit Committee notes:-

1. The success of the investigation activity and continues to support the work being completed to safeguard Waverley's assets and ensuring that only those that are legitimately eligible to receive our services are successful; and

2. The Council's participation in the National Fraud Initiative to assist in identifying fraudulent activities.

13. OBSERVATIONS OF THE TRUSTEE REPORTS AND FINANCIAL STATEMENTS (Pages 93 - 116)

As agreed by the October 2015 meeting of full Council, the Audit Committee has the right to view the reports and financial statements of the Ewart Bequest and the Shottermill Recreation Ground trusts.

The reports and financial statements for the year ended 31 March 2016 are attached.

Recommendation

It is recommended that the Audit Committee;

1. Makes any observations it wishes to on the Ewart Bequest and Shottermill Recreation Ground trusts reports and financial statements for the year ended 31 March 2016 to be recorded by the Democratic Services Officer and attached to the Minutes of this meeting;

2. Agrees that the Chairman presents any observations as part of the presentation of the Minutes of this meeting to the next meeting of full Council on 18 October 2016.

14. EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation on the motion of the Chairman:

Recommendation

That pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item(s) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item(s), there would be disclosure to them of exempt information (as defined by Section 1001 of the Act) of the description specified in the appropriate paragraph(s) of the revised Part 1 of Schedule 12A to the Local Government Act 1972 (to be

identified at the meeting).

15. ANY OTHER ISSUES TO BE CONSIDERED IN EXEMPT SESSION

To consider any matters relating to aspects of any reports on this agenda which, it is felt, may need to be considered in exempt session.

**For further information or assistance, please telephone
Gary Wood, Trainee Democratic Services Officer, on 01483 523570
or by email at gary.wood@waverley.gov.uk**