



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: 4 November 2016

Membership of the Audit Committee

Cllr John Gray (Chairman)	Cllr Nicholas Holder
Cllr Richard Seaborne (Vice Chairman)	Cllr Jerry Hyman
Cllr Mike Band	Cllr David Round
Cllr Christiaan Hesse	

Dear Councillors

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

DATE: TUESDAY, 15 NOVEMBER 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 last meeting of the Audit Committee held on 13 September 2016 (to be laid on the table half an hour before the meeting).

2. **APOLOGIES FOR ABSENCE**

To receive 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. **PROPOSED DRAFT 2018 AUDIT COMMITTEE WORK PROGRAMME**
(Pages 7 - 10)

The Audit Committee will be aware that a key area of the Accounts and Audit Regulations 2015 made under the Local Audit and Accountability Act 2014 is the acceleration of financial close arrangements.

From the 2017/18 financial year, the timetable for the preparation and approval of accounts will be brought forward to a draft accounts deadline of 31 May and an audit deadline of 31 July.

For Members information, the current annual recurrent work programme is attached on light green paper. This sets out the major items required to be completed by the Audit Committee each year.

Also attached, on yellow paper, is a draft proposed target recurrent annual work programme to meet the new requirements in 2018.

Officers will be working together with our external auditors between now and 2018 to progress towards achieving the new timeline and the Audit Committee is invited to discuss the plan and consider any changes to the annual meeting schedule that may be required.

Recommendation

It is recommended that the Audit Committee

1. comments upon and notes the current, and the draft proposed target recurrent annual work programme for 2018 onwards

2. considers any changes to the annual meeting schedule that may be required

6. EXTERNAL AUDIT ANNUAL AUDIT LETTER (Pages 11 - 24)

To receive the attached External Audit Annual Audit Letter from Grant Thornton.

Recommendation

It is recommended that the Audit Committee comments upon and notes the Grant Thornton Annual Audit Letter.

7. APPOINTMENT OF EXTERNAL AUDITORS (Pages 25 - 30)

Following the demise of the Audit Commission, new arrangements are needed for the appointment of external auditors for the 2018/19 financial year. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the appointing person regime or to undertake a local joint procurement exercise to establish an auditor panel and conduct their own procurement exercise.

The attached report considers the options open to the Council.

Recommendation

To recommend to Council that Waverley opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 2018/2019.

8. REVISED GOVERNANCE POLICIES (Pages 31 - 106)

To receive the revised Governance policies in Annexe 1, 2, 3 & 4 that require revision as part of the scheduled cyclical review, to reflect changes in

legislation, organisational restructure affecting job titles and positions and the developed Counter Fraud Strategy in Annexe 5 requires endorsing:-

- a) Annexe 1 Whistleblowing Policy
- b) Annexe 2 Prosecution Policy
- c) Annexe 3 Anti-money Laundering
- d) Annexe 4 Anti Fraud, Corruption and Bribery Strategy
 - a. Code of Conduct for Investigators (Annexe 4a) Policy
- e) Annexe 5 Counter Fraud Strategy

Recommendation

It is recommended that the Committee;

1. endorses and recommends to Council that the revised policies are amended as set out in Annexe 1, 2, 3 & 4, and that the Counter Fraud Strategy as set out in Annexe 5 be adopted; and

2. instructs that officers cascade and publicise these documents.

9. PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2016-17 (Pages 107 - 112)

The Committee's Terms of Reference include provision for the Committee to comment on the progress made in 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.

10. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 113 - 118)

To inform the Audit Committee of Senior Management's progress in implementing the recommendations raised by the 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 target date.

Recommendation

It is recommended that the Audit Committee considers the information contained in Annexe 1 and identifies any action it wishes to be taken.

11. COUNTER FRAUD INVESTIGATION SUMMARY (Pages 119 - 124)

The report provides an update to the Committee on the progress made by Waverley Borough Council officers on the Housing Tenancy Fraud Investigation work being completed as part of the Surrey Counter Fraud Partnership.

Recommendation

That the Audit Committee comments upon and 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 and the Surrey Counter Fraud Partnership Data Hub to assist in identifying fraudulent activities.

12. RISK MANAGEMENT POLICY (Pages 125 - 154)

To receive the attached report considering the continued effectiveness of the current Risk Management Policy and Process Document.

Recommendation

It is recommended that the Audit Committee;

1. approves the Risk Management Policy and Process Document as set out in Annexe 1; and

2. considers the revised Corporate Risks Register at (Exempt) Annexe 2 and passes comment and observations to officers and the Executive.

13. 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, namely;

Paragraph 3: *Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

14. 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**