

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: 14 July 2017

### **Membership of the Audit Committee**

Cllr Mike Band  
Cllr John Gray  
Cllr Christiaan Hesse  
Cllr Nicholas Holder

Cllr Jerry Hyman  
Cllr Anna James  
Cllr Richard Seaborne

Dear Councillors

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

DATE: MONDAY, 24 JULY 2017

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. **APPOINTMENT OF CHAIRMAN**

To confirm the appointment of Cllr John Gray as Chairman of the Audit Committee for the Council year 2017/18.

2. **APPOINTMENT OF VICE CHAIRMAN**

To confirm the appointment of Cllr Richard Seaborne as Vice Chairman of the Audit Committee for the Council year 2017/18.

3. **MINUTES**

To confirm the Minutes of the Meeting held on 21 March 2017 (to be laid on the table half an hour before the meeting).

4. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

5. **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.

6. **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.

7. **EXTERNAL AUDIT 2016/17 AUDIT FINDINGS REPORT**

To receive the External Audit Finding Report from Grant Thornton [to follow] 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.**

8. STATEMENT OF ACCOUNTS 2016/17 (Pages 7 - 18)

The purpose of this report is for the Audit Committee to consider and approve the Statement of Accounts for the year ended 31 March 2017.

Recommendation

**It is recommended that the Audit Committee**

- 1. approves the Statement of Accounts for the financial year ended 31 March 2017 at Annexe 1 *[to follow]*; and**
- 2. approves the Letter of Representation for 2016/2017 at Annexe 3; and**
- 3. confirms that the accounts have been prepared on a going concern basis.**

9. ANNUAL GOVERNANCE STATEMENT (Pages 19 - 34)

The purpose of the this report is for the Audit Committee to consider and approve the Annual Governance Statement (AGS) for the year ended 31 March 2017.

Recommendation

**It is recommended that the Audit Committee approves the attached Annual Governance Statement 2016/17.**

10. REVISION OF THE CONTRACT PROCUREMENT RULES (Pages 35 - 56)

The purpose of this report is for the Audit Committee to review and recommend the approval of the revised CPRs.

Recommendation

**That the Audit Committee recommends to Council that the revised CPRs be approved, and for them to come in to use, effective immediately.**

11. ANNUAL INTERNAL AUDIT REPORT (Pages 57 - 72)

The Accounts and Audit Regulations 2015 (Part 2 s3) require local authorities to have a sound system of internal control. Internal Audit is part of this system of internal control whereas (Part 2 s5) of the regulations state an authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.

This report is a summary of the work carried out by Internal Audit during the financial year 2016-17 and also provides an assurance opinion to support the Annual Governance Statement on the organisations control environment which will also be considered by the Committee at its meeting on 24 July 2017.

Recommendation

**It is recommended that the Audit Committee notes the contents and comments on the report.**

12. INTERNAL AUDIT PLAN PROGRESS 2016/17 AND 2017/18 (Pages 73 - 80)

The Committee's Terms of Reference include provision for the Committee to comment on the progress made in the achievement of the Audit Plan. An update on the current position of the reviews in 2016/17 and 2017/18 is presented.

Recommendation

**It is recommended that the Committee:**

1. **notes the progress for the Internal Audit Plan 2016/17 as attached at Annexe 1;**
2. **notes the progress for the Internal Audit Plan 2017/18 as attached at Annexe 2, and endorse the inclusion of the additional reviews covering the Production of the Final Accounts Process and the Completeness of the Fire Safety Assessment Checks as indicated in blue.**

13. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 81 - 86)

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, following discussion at the Audit Committee meeting, identifies any action it wishes to be taken, particularly in relation to the Information Security Governance recommendations which are linked to the recent Data Protection review completed in preparation for the General Data Protection Regulations (GDPR) that comes into force in May 2018.**

**2. agrees an appropriate implementation date for the recommendations listed in Annexe 2, where a request has been made by the Head of Service for a change in the previous implementation date.**

14. COMMITTEE RECURRENT WORK PROGRAMME (Pages 87 - 88)

Recommendation

**The Audit Committee is invited to note the recurrent annual work programme, attached.**

15. 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).

16. 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  
Amy McNulty, Democratic Services Officer, on 01483 523492 or by  
email at amy.mcnulty@waverley.gov.uk**