

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

When calling please ask for:
Amy McNulty, Democratic Services Officer
Policy and Governance
E-mail: amy.mcnulty@waverley.gov.uk
Direct line: 01483 523492
Calls may be recorded for training or monitoring
Date: 15 September 2017

Membership of the Audit Committee

| | |
|---------------------------------------|----------------------|
| Cllr John Gray (Chairman) | Cllr Nicholas Holder |
| Cllr Richard Seaborne (Vice Chairman) | Cllr Jerry Hyman |
| Cllr Mike Band | Cllr Anna James |
| Cllr Pat Frost | |

Dear Councillors

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

DATE: TUESDAY, 26 SEPTEMBER 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

Agendas are available to download from Waverley's website (www.waverley.gov.uk/committees), where you can also subscribe to updates to receive information via email regarding arrangements for particular committee meetings.

Alternatively, agendas may be downloaded to a mobile device via the free Modern.Gov app, available for iPad, Android, Windows and Kindle Fire.

Most of our publications can be provided in alternative formats. For an audio version, large print, text only or a translated copy of this publication, please contact committees@waverley.gov.uk or call 01483 523351.

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 24 July 2017 (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. **AUDIT COMMITTEE TERMS OF REFERENCE FOR 2017/18** (Pages 7 - 8)

Each year, the Audit Committee is invited to review its Terms of Reference. The current Terms of Reference are attached.

Recommendation

It is recommended that the Audit Committee reviews its terms of reference and recommends any amendments it wishes to be adopted by Council (if necessary).

6. **AUDIT COMMITTEE ANNUAL ACTIVITY REPORT 2016/17** (Pages 9 - 36)

Good practice indicates that an annual appraisal of the work of the Committee would be beneficial and an Annual Activity Report for 2016/17 is attached.

Recommendation

It is recommended that the work carried out by the Audit Committee in 2016/17 be noted.

7. INTERNAL AUDIT CHARTER (Pages 37 - 48)

The report provides an update to the Committee on the revised Internal Audit Charter that has been developed in accordance with the updated Public Sector Internal Auditing Standards (March 2016). The standards apply to all internal audit service providers, whether in-house, shared services or outsourced. The PSIAS (Attribute Standard 1000) requires organisations to have an Internal Audit Charter that formally defines the purpose, authority and responsibility of the internal audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The Charter is required to be approved by senior management and the board (Audit Committee).

Recommendation

It is recommended that the Audit Committee approves the Internal Audit Charter.

8. INTERNAL AUDIT PLAN PROGRESS 2017/18 (Pages 49 - 52)

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 2017/18 is presented.

Recommendation

It is recommended that the Committee notes the progress for the Internal Audit Plan 2017/18 as attached at Annexe 1.

9. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 53 - 60)

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.**
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.

10. FRAUD INVESTIGATION SUMMARY (Pages 61 - 66)

The report provides an update to the Committee on the progress made by Waverley Borough Council officers on the work being completed in investigating all types of fraud, primarily focusing on Housing Tenancy fraud, enhanced by the co-operation and supported by all the members of the Surrey Counter Fraud Partnership and extended partners including Registered Social Landlords.

Recommendation

It is recommended that the Audit Committee notes:

- 1. the success of the investigation activity and the results achieved; and**
- 2. the Council's participation in the Surrey Counter Fraud Partnership data matching exercises and the work to be completed to assist in identifying fraudulent activities throughout the council's services not currently covered through the NFI.**

11. APPOINTMENT OF EXTERNAL AUDITOR

At its meeting on 15 November 2016, the Audit Committee agreed to recommend to Council that Waverley opt-in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 2018/19. This recommendation was approved by Council on 13 December 2016.

PSAA is therefore responsible for appointing an external auditor to each opted-in authority. Grant Thornton (UK) LLP was successful in winning a contract in the procurement, and PSAA proposes to appoint them as the auditor of Waverley Borough Council for a period of 5 years from 2018/19. The appointment will start on 1 April 2018.

The PSAA will consult on scale fees for 2018/19 in due course and will publish confirmed scale fees for 2018/19 for opted-in bodies on their website in March 2018.

Recommendation

It is recommended that the Audit Committee notes the PSAA's appointment of Grant Thornton (UK) LLP as the council's external auditor for a period of 5 years from 2018/19.

12. COMMITTEE RECURRENT WORK PROGRAMME (Pages 67 - 68)

Recommendation

The Audit Committee is invited to note the recurrent annual work

programme, attached.

13. RISK MANAGEMENT UPDATE (Pages 69 - 102)

This report presents the latest corporate risk register as refreshed by Heads of Service.

Recommendation

It is recommended that the Audit Committee considers the revised corporate risks register at (Exempt) Annexe 1 and passes comments and observations to officers.

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