

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: 16 March 2018

Membership of the Audit Committee

Cllr John Gray (Chairman)

Cllr Richard Seaborne (Vice Chairman)

Cllr Mike Band

Cllr Pat Frost

Cllr Nicholas Holder

Cllr Jerry Hyman

Cllr Anna James

Cllr Stephen Mulliner

Dear Councillors

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

DATE: TUESDAY, 27 MARCH 2018

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 20 November 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.

The deadline for receipt of questions is 5pm on Tuesday 20 March 2018.

5. **2016/17 CERTIFICATION LETTER** (Pages 7 - 10)

To receive the 2016/17 Certification Letter from Grant Thornton, attached.

6. **EXTERNAL AUDIT PROGRESS REPORT** (Pages 11 - 30)

To receive the External Audit progress report from Grant Thornton, attached.

7. **2017/18 EXTERNAL AUDIT PLAN** (Pages 31 - 46)

To receive the 2017/18 Annual Audit Plan from Grant Thornton, attached.

8. STATEMENT OF ACCOUNTS - ACCOUNTING POLICIES (Pages 47 - 48)

Local authorities in the United Kingdom are required to prepare their accounts in compliance with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code is developed each year by CIPFA/LASAAC and has effect for financial years commencing on or after 1 April each year. The 2018/19 edition of the Code introduces two substantial new financial reporting standards.

Recommendation

It is recommended that the Audit Committee notes the changes to financial reporting standards.

9. ANNUAL GOVERNANCE STATEMENT 2017/18 (Pages 49 - 62)

The draft Annual Governance Statement for 2017/18 is attached.

10. PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2017/18 (Pages 63 - 68)

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 and the changes to the Internal Audit Plan for 2017/18, as attached at Annexe 1.

11. PROPOSED INTERNAL AUDIT PLAN FOR 2018/19 (Pages 69 - 72)

The Committee's terms of reference include provision for the Committee to comment on the proposed Internal Audit Plan for 2018/19. This report presents the Draft Internal Audit Plan for 2018-19 and the Committee is invited to comment before the Plan is adopted. The plan has been drawn up by the Internal Audit Client Manager through consultation with Heads of Service Team and Management Board and prepared by completing a full a risk assessment of the audit universe of the council's activities including the contents of the current corporate risk register provided by the Insurance and Risk Management Officer.

Recommendation

The Audit Committee is invited to comment on and approve the Internal Audit Plan for 2018/19, as attached in Annexe 1.

12. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 73 - 84)

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. The 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; and**
- 2. notes the progress being made to comply with General Data Protection Regulations by 25 May 2018.**

13. FRAUD INVESTIGATION SUMMARY (Pages 85 - 90)

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 the success of the investigation activity and the results achieved.

14. COMMITTEE RECURRENT WORK PROGRAMME (Pages 91 - 92)

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. FUTURE DELIVERY OF INTERNAL AUDIT FROM APRIL 2019 (Pages 93 - 100)

To consider the (Exempt) report on this matter, attached.

17. 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**