

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 September 2018

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

Cllr John Gray (Chairman)

Cllr Richard Seaborne (Vice Chairman)

Cllr Mike Band

Cllr Pat Frost

Cllr Jerry Hyman

Cllr Stephen Mulliner

Cllr Sam Pritchard

Cllr Liz Townsend

Dear Councillors

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

DATE: TUESDAY, 25 SEPTEMBER 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 24 July 2018 (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 18 September 2018.

5. **QUESTIONS FROM MEMBERS**

The Chairman to respond to any questions received from Members in accordance with Procedure Rule 11.

The deadline for receipt of questions is 5pm on Tuesday 18 September 2018.

6. **ANNUAL AUDIT LETTER 2017/18 (Pages 7 - 18)**

The attached Annual Audit Letter, produced by Grant Thornton, summarises the key findings arising from the work they have carried out at Waverley Borough Council for the year ended 31 March 2018.

The Letter provides a commentary on the results of Grant Thornton's work to the Council and its external stakeholders, and highlights issues they wish to

draw to the attention of the public.

Recommendation

**It is recommended that the Audit Committee receives and comments on the Annual Audit Letter from Grant Thornton.**

7. AUDIT COMMITTEE TERMS OF REFERENCE 2018/19 (Pages 19 - 20)

Each year, the Audit Committee is invited to review its Terms of Reference. A comprehensive review was carried out in November 2017 and the current Terms of Reference are attached.

Recommendation

**It is recommended that the Audit Committee reviews its Terms of Reference and recommends any amendments to the Standards Committee and Council.**

8. AUDIT COMMITTEE ANNUAL ACTIVITY REPORT 2017/18 (Pages 21 - 44)

This report details the work undertaken by the Audit Committee over the municipal year 2017/18. The purpose of this annual appraisal of the work of the Committee is to help Members review the previous year's work and plan for the coming year.

Recommendation

**It is recommended that the work carried out by the Audit Committee in 2017/18 be noted.**

9. TAX STRATEGY (Pages 45 - 50)

The Council is required to have in place a Tax Strategy to fulfil its responsibilities under the Legislation in Criminal Finances Act 2017, and to undertake to respond appropriately to the Corporate Criminal Offence guidance from HMRC issued September 2017.

Recommendation

**It is recommended that the Audit Committee recommends to the Council that the proposed Tax Strategy be approved.**

10. FINANCIAL REGULATIONS UPDATE (Pages 51 - 54)

The Audit Committee is asked to consider the update to the Financial Regulations and recommend them to the Council, in compliance with the Audit Committee Terms of Reference under Article 8 of the Constitution. Specifically, the Audit Committee is required to maintain an overview of the Council's Constitution in respect of financial regulations.

Recommendation

**It is recommended that the Committee recommends the update to the Financial Regulations to the Council for adoption.**

11. CONTRACT PROCUREMENT RULES UPDATE SEPTEMBER 2018 (Pages 55 - 60)

The Contract Procurement Rules form part of the Council's Constitutional framework. They should be maintained and updated as and when required to adopt legislative changes, reflect best practice in the industry and support the Council's corporate objectives.

Recommendation

**It is recommended that the Audit Committee recommends to the Council that the proposed amendments to the Contract Procurement Rules be approved.**

12. INTERNAL AUDIT CHARTER (Pages 61 - 72)

The report provides an update to the Committee on the updated Internal Audit Charter that has been developed in accordance with the Public Sector Internal Auditing Standards. 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.

Recommendation

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

13. PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2018/19 (Pages 73 - 76)

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 2018-19 is presented.

Recommendation

**It is recommended that the Committee notes the progress on the 2018-19 Audit Plan as attached in Annexe 1.**

14. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 77 - 78)

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 notes the current position.**

15. COMMITTEE RECURRENT WORK PROGRAMME (Pages 79 - 80)

Recommendation

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

16. 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).

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**