

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

When calling please ask for:

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Date: 22 February 2019

Membership of the Audit Committee

Cllr John Gray (Chairman)
Cllr Richard Seaborne (Vice Chairman)
Cllr Mike Band
Cllr Pat Frost

Cllr Jerry Hyman
Cllr Robert Knowles
Cllr Stephen Mulliner
Cllr Liz Townsend

Dear Councillors

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

DATE: MONDAY, 4 MARCH 2019

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 5 November 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 Monday 25 February 2019.

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 Monday 25 February 2019.

6. **2017/18 CERTIFICATION LETTER** (Pages 7 - 10)

To receive the 2017/18 Certification Letter from Grant Thornton.

7. **2018/19 EXTERNAL AUDIT PLAN** (Pages 11 - 24)

To receive the 2018/19 External Audit Plan from Grant Thornton.

8. AUDIT COMMITTEE TERMS OF REFERENCE (Pages 25 - 32)

This report briefs the Audit Committee on the revised CIPFA Audit Committee Practical Guidance 2018, and recommends that draft revised terms of reference for the Audit Committee are brought to the next meeting of the Committee, following detailed consideration of the new guidance.

Recommendation

That the Audit Committee notes the publication of the 2018 CIPFA *Audit Committees: Practical Guidance for Local Authorities and Police*, and that a draft of revised terms of reference for the Audit Committee will be brought to the first meeting of the committee in the new Council year following detailed consideration of the updated guidance.

9. PROCESS AND DOCUMENTATION FOR SUPPLEMENTARY ESTIMATES
(Pages 33 - 40)

On 5 November 2018, the Audit Committee resolved that the Section 151 Officer and Head of Policy and Governance should produce a paper for the next meeting setting out the process and documentation required to support all future requests for supplementary estimates.

This report sets out the process and documentation to be used whenever a supplementary estimate is to be considered by the Executive or Full Council.

Recommendation

It is recommended that the Audit Committee:

- 1. Endorses the process set out within this report required to support all future requests for supplementary estimates;**
- 2. Agrees to recommend to Council that paragraph 4.27 within the Council's published Financial Regulations be revised as set out within Annexe 1; and**
- 3. Agrees to recommend to Council that the pro forma attached at Annexe 2 of this report be added to the Council's published Financial Regulations.**

10. ANNUAL GOVERNANCE STATEMENT (Pages 41 - 50)

The purpose of this report is for the Audit Committee to consider governance progress in relation to informing the Annual Governance Statement (AGS) for the year ended 31 March 2019.

Recommendation

It is recommended that the Audit Committee considers the draft Annual Governance Statement and provides comments to officers.

11. STATEMENT OF ACCOUNTS - ACCOUNTING POLICIES (Pages 51 - 52)

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 (Local Authority Scotland Accounts Advisory Committee) and has effect for financial years commencing on or after 1 April each year.

Recommendation

It is recommended that the Audit Committee notes the position in relation to financial reporting standards.

12. INCOME AND DEBT COLLECTION POLICY (Pages 53 - 64)

To seek approval of a new Income and Debt Collection Policy which aims to achieve prompt collection of all sums of money owed to the council, whilst ensuring that a fair, proportionate and consistent approach is taken to the recovery of sums that are not paid when due.

Recommendation

It is recommended that the Audit Committee endorses the Income and Debt Collection Policy and recommends its adoption by Council.

13. REVISED ANTI-FRAUD AND CORRUPTION POLICY (Pages 65 - 136)

To obtain Committee endorsement of the revised policies enabling these to be adopted and published on the website and cascaded to all members of staff, members, partners, the Council's suppliers, thus reinforcing Waverley's stance of zero tolerance to Fraud and Corruption.

Recommendation

It is recommended that the Committee

- 1. endorses the revised policy; and**
- 2. recommends to Council that it be approved and that officers are instructed to cascade using suitable media to publicise these documents to the appropriate recipients.**

14. PROPOSED AUDIT PLAN FOR 2019-20 (Pages 137 - 150)

The Committee's terms of reference include provision for the Committee to approve the proposed Internal Audit Plan for 2019-20. This report presents the Draft Internal Audit Plan for 2019-20 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 completing a risk assessment of the audit universe of

the council's activities.

Recommendation

The Audit Committee is invited to comment and approve the draft Internal Audit Plan for 2019-20, as attached in Annexe 1.

15. PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2018/19 (Pages 151 - 156)

The Committee's Terms of Reference include provision for the Committee to monitor and comment on the progress made in the achievement of the Internal Audit Plan. An update on the current position of the reviews in 2018-19 is presented.

Recommendation

It is recommended that the Committee

- 1. approves the deferral of the review to 2019/20**
- 2. notes the status of the 2018-19 Audit Plan as attached in Annexe 1.**

16. PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 157 - 168)

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. considers the Head of Service(s) justification for a change in the due date for the recommendations listed in Annexe 2 and agree an appropriate implementation date(s).**

17. FRAUD INVESTIGATION SUMMARY (Pages 169 - 174)

The report provides an update to the Committee on the progress made by Waverley Borough Council officers on the work being completed in investigating fraud, primarily focusing on Housing Tenancy fraud.

Recommendation

It is recommended that the Audit Committee notes the success of the housing fraud investigation activity with the results achieved and the improvements in processes to limit the opportunity for fraudulent housing tenancy practices to occur in the future.

18. STRATEGIC RISK REGISTER (Pages 175 - 210)

This report presents the Risk Management Policy and the Strategic Risk Register based on the Corporate Strategy 2018-2023 adopted in July 2018.

Recommendation

It is recommended that the Risk Management Policy be approved and risk register be reviewed and comments and observations be passed to officers.

19. COMMITTEE WORK PROGRAMME (Pages 211 - 212)

Recommendation

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

20. 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).

21. 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**