

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

When calling please ask for:  
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**Policy and Governance**  
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Direct line: 01483 523492  
Date: 13 September 2019

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

Cllr Peter Marriott (Chairman)  
Cllr Jerome Davidson (Vice Chairman)  
Cllr Richard Cole  
Cllr Simon Dear

Cllr Jan Floyd-Douglass  
Cllr Michaela Gray  
Cllr Richard Seaborne  
Cllr George Wilson

Dear Councillors

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

DATE: TUESDAY, 24 SEPTEMBER 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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Please be advised that there is limited seating capacity in the Public Gallery; an overflow room will be available where possible. This meeting will be webcast and can be viewed by visiting [www.waverley.gov.uk/webcast](http://www.waverley.gov.uk/webcast).

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## **NOTE FOR MEMBERS**

Members are reminded that Contact Officers are shown in 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 22 July 2019 (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 17 September 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 Tuesday 17 September 2019.

6. **ANNUAL AUDIT LETTER (Pages 7 - 20)**

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 2019.

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 notes the Annual Audit Letter.**

7. AUDIT COMMITTEE ANNUAL ACTIVITY REPORT (Pages 21 - 30)

This report details the work undertaken by the Audit Committee over the municipal year 2018/19. 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 2018/19 be noted.**

8. INTERNAL AUDIT CHARTER (Pages 31 - 42)

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 Public Sector Internal Audit Standards (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.**

9. PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2019/20 (Pages 43 - 58)

The Committee's Terms of Reference include provision for the Committee to approve, 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 2019-20 is presented.

Recommendation

**It is recommended that the Committee notes the contents of the Internal Audit progress report for September 2019 as attached in Annexe 1.**

10. PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 59 - 66)

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; and**
- 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).**

11. FRAUD INVESTIGATION SUMMARY (Pages 67 - 72)

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 fraud investigation activity.**

12. RISK MANAGEMENT

To receive a verbal update.

13. ANNUAL GOVERNANCE STATEMENT - CONSIDERATION OF POTENTIAL GOVERNANCE ISSUES (Pages 73 - 74)

To enable the Committee to raise any potential emerging governance issues that may need to be addressed in the Annual Governance Statement 2019/20.

A document setting out the classification for significant issues is attached for reference.

#### Recommendation

**The Committee is invited to raise any potential emerging governance issues for consideration.**

14. AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Pages 75 - 76)

The Committee's annual recurrent work programme is attached. The Work Programme details regular items, but other items can be submitted to each meeting on an ad hoc basis or at the request of the Committee.

Recommendation

**The Audit Committee is invited to note its recurrent annual work programme.**

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 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**