

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

When calling please ask for:

Kimberly Soane, Democratic Services
Officer

Policy and Governance

E-mail: Kimberly.soane@waverley.gov.uk

Direct line: 01483 523258

Calls may be recorded for training or monitoring

Date: 21 February 2020

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: MONDAY, 2 MARCH 2020

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 26 November 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 Monday 24th February 2020.

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 24th February 2020.

6. **AIR QUALITY MANAGEMENT INVESTIGATION OUTCOME AND FINDINGS**
(Pages 6 - 37)

This report details the outcome of the process carried out by Waverley Borough Council and the subsequent action taken by the Police and the Crown

Prosecution Service, which resulted in the criminal conviction of a former member of Waverley Borough Council staff.

Recommendation

It is recommended that :

The strengthened governance arrangements are considered and endorsed by Audit Committee.

7. EXTERNAL AUDIT PLAN FOR 2019/20 (Pages 38 - 60)

To receive the 2019/20 External Audit Plan from Grant Thornton.

8. ACCOUNTING POLICIES FOR 2020/21 (Pages 61 - 63)

The report provides an update on Waverley Accounting Policies in line with changes to the CIPFA Code of Practice.

Recommendation

It is recommended that the Audit Committee notes the proposed changes in accounting policy.

9. ANNUAL GOVERNANCE STATEMENT - CONSIDERATION OF POTENTIAL GOVERNANCE ISSUES (Pages 64 - 73)

Peter Vickers to report on the Annual Governance Statement.

To enable the Committee to raise any potential emerging governance issues that may need to be addressed.

Recommendation

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

10. INTERNAL AUDIT PLAN PROGRESS 2019-20 (Pages 74 - 90)

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 Internal Audit Plan for 2019-20 is presented for the Audit Committee to note progress being made.

Recommendation

It is recommended that the Audit Committee notes the contents of the Internal Audit Plan progress report as attached in Annexe 1.

11. PROPOSED INTERNAL AUDIT PLAN FOR 2020-21 (Pages 91 - 104)

The Committee's terms of reference include provision for the Committee to approve the proposed Internal Audit Plan for 2020-21. This report presents the

Draft Internal Audit Plan for 2020-21 and the Committee is invited to comment before the Plan can be adopted. The plan has been drawn up by the Internal Audit Manager through consultation with Senior Management Team and completing a risk assessment of the audit universe of the council's activities.

Recommendation

It is recommended that the Audit Committee comments and approves the proposed Internal Audit Plan for 2020-21 as attached in Annexe 1.

12. **PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS** (Pages 105 - 116)

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 original agreed implementation date.

Recommendation

It is recommended that the Committee considers the information contained in Annexe 1 and, following discussion at the Audit Committee meeting identifies any action it wishes to be taken.

It is recommended that the Committee 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).

13. **FRAUD INVESTIGATION** (Pages 117 - 120)

The report provides an update to the Committee on the work being completed in investigating fraud, primarily focusing on Housing Tenancy fraud. The report also includes the current outputs in relation to the National Fraud Initiative (NFI)

Recommendation

It is recommended that the Audit Committee notes the results of the fraud investigation activity, attached in Annexe 1 up to and including quarter 3 covering the period 01 April 2019 to 31 December 2019.

14. **AUDIT COMMITTEE RECURRENT WORK PROGRAMME** (Page 121)

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 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
Kimberly Soane, Democratic Services Officer, on 01483 523258 or by
email at Kimberly.soane@waverley.gov.uk**