

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: 10 July 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, 20 JULY 2020

TIME: 6.00 PM

PLACE: ZOOM MEETING

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 2 March 2020 (published on the website).

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.

Questions should be sent to committees@waverley.gov.uk by 5pm on Monday 13 July 2020.

5. **QUESTIONS FROM MEMBERS**

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

Questions should be sent to committees@waverley.gov.uk by 5pm on Monday 13 July 2020.

6. **UPDATED EXTERNAL AUDIT SCOPE 2019/20 (PAGES 6 - 11)**

7. **AUDIT COMMITTEE MEMBERS BRIEFING - RISK REGISTER**

The committee to reflect on the recent member briefing session held on the 15th July and to discuss the next steps.

8. REVIEW OF PROGRESS IN THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 12 - 17)

To inform the Audit Committee of Senior Management's progress in implementing the agreed actions 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

1. 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.
2. It is recommended that the Committee considers the Head of Service(s) justification for a change in the due date for the agreed actions listed in Annexe 2 and agree an appropriate implementation date(s).

9. PROGRESS ON THE INTERNAL AUDIT PLAN 2019/20 AND 2020/21 (Pages 18 - 50)

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 Plans for 2019-20 and 2020-21 are 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 2019-20 progress report as attached in Annexe 1; and
Internal Audit Plan 2020-21 progress report as attached in Annexe 2.

10. INTERNAL AUDIT CHARTER (Pages 51 - 62)

This report provides the Audit Committee with an overview of Waverley's Internal Audit Charter that has been developed in accordance with the requirements of the Public Sector Internal Auditing Standards.

These 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 as attached in Annexe 1.

11. ANNUAL INTERNAL AUDIT REPORT 2019/20 (Pages 63 - 78)

The Accounts and Audit Regulations 2015 (Part 2 s3) require local authorities to have a sound system of internal control and Internal Audit is part of this system of internal control. Part 2 (s5) of the Regulations state that an authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. This report is a summary of the work carried out by Internal Audit during the financial year 2018-19 and also provides an audit opinion to support the Annual Governance Statement on the organisation's control environment.

Recommendation

It is recommended that the Audit Committee considers and notes the annual internal audit report and audit opinion for 2019/20.

12. FRAUD INVESTIGATION SUMMARY (Pages 79 - 84)

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, for the full year (01 April 2019 to 31 March 2020).

Annexe 2 for the 1st quarter (01 April 2020 to 30 June 2020.)

13. AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Page 85)

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.

14. EXCLUSION OF PRESS AND PUBLIC

If necessary, 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).

15. 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
Kimberly Soane, Democratic Services Officer, on 01483 523258 or by
email at Kimberly.soane@waverley.gov.uk**