



WOKINGHAM BOROUGH COUNCIL

An Extraordinary Meeting of the **AUDIT COMMITTEE** will be held Virtually on **MONDAY 22 MARCH 2021 AT 7.00 PM**

Susan Parsonage
Chief Executive

Published on 12 March 2021

Note: The Council has made arrangements under the Coronavirus Act 2020 to hold the meeting virtually via Team Meetings, the meeting can be watched live at the following link: <https://youtu.be/7fTUZuFwIFM>

Please note that other people may film, record, tweet or blog from this meeting. The use of these images or recordings is not under the Council's control.



WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, learn, work and grow and a great place to do business

Enriching Lives

- Champion outstanding education and enable our children and young people to achieve their full potential, regardless of their background.
- Support our residents to lead happy, healthy lives and provide access to good leisure facilities to complement an active lifestyle.
- Engage and involve our communities through arts and culture and create a sense of identity which people feel part of.
- Support growth in our local economy and help to build business.

Safe, Strong, Communities

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to prevent the need for long term care.
- Nurture communities and help them to thrive.
- Ensure our borough and communities remain safe for all.

A Clean and Green Borough

- Do all we can to become carbon neutral and sustainable for the future.
- Protect our borough, keep it clean and enhance our green areas.
- Reduce our waste, improve biodiversity and increase recycling.
- Connect our parks and open spaces with green cycleways.

Right Homes, Right Places

- Offer quality, affordable, sustainable homes fit for the future.
- Build our fair share of housing with the right infrastructure to support and enable our borough to grow.
- Protect our unique places and preserve our natural environment.
- Help with your housing needs and support people to live independently in their own homes.

Keeping the Borough Moving

- Maintain and improve our roads, footpaths and cycleways.
- Tackle traffic congestion, minimise delays and disruptions.
- Enable safe and sustainable travel around the borough with good transport infrastructure.
- Promote healthy alternative travel options and support our partners to offer affordable, accessible public transport with good network links.

Changing the Way We Work for You

- Be relentlessly customer focussed.
- Work with our partners to provide efficient, effective, joined up services which are focussed around you.
- Communicate better with you, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough.
- Drive innovative digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.

MEMBERSHIP OF THE AUDIT COMMITTEE

Councillors

| | | |
|-----------------------|-----------------------------|-----------------|
| Bill Soane (Chairman) | Dianne King (Vice-Chairman) | Rachel Burgess |
| Maria Gee | Angus Ross | Daniel Sargeant |
| Imogen Shepherd-DuBey | | |

| ITEM NO. | WARD | SUBJECT | PAGE NO. |
|----------|---------------|--|-----------|
| 51. | | APOLOGIES To receive any apologies for absence | |
| 52. | | DECLARATION OF INTEREST To receive any declarations of interest | |
| 53. | | PUBLIC QUESTION TIME To answer any public questions A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice. The Council welcomes questions from members of the public about the work of this committee. Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Committee or an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions | |
| 54. | | MEMBER QUESTION TIME To answer any member questions | |
| 55. | None Specific | WOKINGHAM BOROUGH COUNCIL AUDIT RESULTS REPORT YEAR ENDED 31 MARCH 2020 To receive the Wokingham Borough Council Audit Results Report Year ended 31 March 2020. | To Follow |
| 56. | None Specific | STATEMENT OF ACCOUNTS 2019-20 To receive the Statement of Accounts 2019-20. | To Follow |
| 57. | None Specific | DRAFT ANNUAL AUDIT COMMITTEE REPORT 2020-21 To receive the draft Annual Audit Committee Report 2020-21. | 5 - 10 |

Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading

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Agenda Item 57.

| | |
|-----------------------------|--|
| TITLE | Draft Annual Audit Committee Report 2020-21 |
| FOR CONSIDERATION BY | Audit Committee on 22 March 2021 |
| WARD | None Specific; |
| LEAD OFFICER | Deputy Chief Executive - Graham Ebers |

OUTCOME / BENEFITS TO THE COMMUNITY

The Audit Committee will consider a summary of its work for the municipal year 2020-21 prior to its presentation to Full Council.

RECOMMENDATION

That

- 1) the Audit Committee consider the draft annual Audit Committee report 2020-21 and if they wish to make any changes;
- 2) The Audit Committee recommend the final report to Council for agreement.

SUMMARY OF REPORT

Each year the Audit Committee is required to present a report of its work over the municipal year to Full Council. Members are asked to consider the draft report and if they wish to make any changes, prior to recommending the report to Council for consideration.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

| | How much will it Cost/ (Save) | Is there sufficient funding – if not quantify the Shortfall | Revenue or Capital? |
|-----------------------------------|-------------------------------|---|---------------------|
| Current Financial Year (Year 1) | N/A | N/A | N/A |
| Next Financial Year (Year 2) | N/A | N/A | N/A |
| Following Financial Year (Year 3) | N/A | N/A | N/A |

| Other financial information relevant to the Recommendation/Decision |
|--|
| N/A |

| Cross-Council Implications |
|-----------------------------------|
| N/A |

| Public Sector Equality Duty |
|------------------------------------|
| Not required |

| Reasons for considering the report in Part 2 |
|---|
| N/A |

| List of Background Papers |
|----------------------------------|
| N/A |

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|--|---|
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WOKINGHAM BOROUGH COUNCIL

Audit Committee Annual Report 2020/21

1. ROLE OF THE AUDIT COMMITTEE

The Audit Committee reviews and monitors the Council's corporate governance, treasury management and risk management arrangements, the work of the Council's Internal Audit and Investigation team and the Council's work with its external auditors Ernst and Young. The Committee also monitors the implementation of the Council's complaints process.

(a) Internal and External Audit

Internal Audit and Investigations

The Audit Committee monitors the Council's internal controls and governance arrangements. The Shared Internal Audit and Investigation Service submitted quarterly progress reports to the Committee on its work and progress made against the approved 2020/21 Internal Audit and Investigation Plan throughout the municipal year.

In July 2020, the Committee considered the 2019/20 Internal Audit and Investigations Annual Report, which outlined the work that had been undertaken by Shared Internal Audit and Investigation during that period. Throughout the year, the Committee has in particular sought further information regarding those audits which had received a lower assurance rating. It was agreed that where any area in an audit had been identified as being less than 'satisfactory', either the key findings and recommendations of the internal audit or the audit report would be circulated to the Committee.

The 2020/2021 Annual Audit and Investigation Plan in Year Review was presented to the Committee in September 2020. As a result of the pandemic the audit activity for the remainder of the year had been refocused to make best use of resources and prioritise the most significant areas of the audit plan.

The Committee considered the Internal Audit & Investigation strategy for 2021/22; and the Q1 2021/22 at its extraordinary meeting in February 2021, noting the need for flexibility in the existing climate. It was noted that during 2021/22, audit planning and allocation of activity would be undertaken on a quarterly basis.

External Audit

The Audit Committee received and reviewed the draft Wokingham Borough Council Audit Results Report Year ended 31 March 2020, at its extraordinary meeting in February, and will receive the final report at a meeting in March.

Members were advised that the production of the Annual Audit Letter and External Audit Plan had been delayed due to the delay in producing the External Audit opinion.

(b) Risk Management

One of the Committee's key roles is the consideration of the Council's risk management arrangements.

When considering the Corporate Risk Register the Committee invited different Directors to give an insight into risks and particular challenges in their areas and what action was being taken to mitigate these risks. Members considered and made suggestions as to how individual risks, such as climate emergency, were being managed and mitigated, particularly in light of the pandemic.

The Committee considered the refreshed Risk Management Policy and Guidance and suggested that there could be more included around how the Executive Members challenged the relevant Directors on individual risks.

The Audit Committee agreed to continue to invite Directors to future meetings to provide an update on the risks in their areas in order to better understand how risk management was being undertaken across different areas of the Council.

(c) Statement of Accounts

The Audit Committee is required to approve the annual Statement of Accounts for 2019/20 on behalf of the Council.

The Committee was kept informed of the progress of the Statement of Accounts and considered a draft version at an extraordinary meeting in February. Members will receive the final Statement of Accounts at an extraordinary meeting in March. When considering the Statement of Accounts, the Committee will take into account whether the appropriate accounting policies had been followed and if they had concerns arising from the audit or the financial statements which they felt that Council should be informed of.

(d) Corporate Governance

A key priority of the Committee is to review the Council's arrangements for corporate governance and to consider any required actions to ensure compliance with best practice.

At its extraordinary meeting in February 2021, as part of its consideration of the draft Statement of Accounts, the Committee considered the Annual Governance Statement (AGS). This followed an initial review of the draft AGS in July 2020. When considering the final version, the Committee will consider the improvements and exceptions identified by the process and if they are satisfied that the Annual Governance Statement reflects the Council's risk environment and actions required to improve it.

During this year, the Committee considered, and agreed on behalf of the Council, the updated Local Code of Governance and the Anti-Fraud and Anti-Corruption Policies. The review of these policies is an element of good governance.

(e) Treasury Management

In July 2020, the Committee considered the Treasury Management outturn report 2019-20, which summarised treasury management operations during the year. Members sought further clarification around various elements including property investments, external borrowing, and the investment balance.

The Committee received the Treasury Management Mid-Year Report 2020-21 in November 2020. Members asked questions around a number of issues including the likely impact of Covid on the Council's debts levels, the speed of debt levels reducing and indebtedness levels.

Members received the Treasury Management Strategy 2021/24 at its February 2021 meeting and recommended the Strategy to Council for approval.

(f) Council's Corporate Complaints process

At its June 2020 meeting the Committee received the 2019-20 annual report regarding complaints and compliments. Members were advised that there had been a slight increase in the number of complaints received at Stage 1 and Stage 2, and also the number of complaints investigated by the Ombudsman. However, this was not a cause for concern. Most cases referred to the Ombudsman had not been upheld. Members asked what lessons would be learned in respect of those few complaints which had been upheld by the Ombudsman.

The Committee received the Quarter 3 complaints summary at its meeting in February 2021.

2. FORWARD LOOK

Early in the new municipal year, the Committee plans to undertake a review of its effectiveness comparing current practices against CIPFA guidance on Audit Committees. This will help inform training and development needs and provide a roadmap for further development and improvement.