



WOKINGHAM BOROUGH COUNCIL

Audit Committee Annual Report 2016/17

1. ROLE OF THE AUDIT COMMITTEE

The Audit Committee monitors the effectiveness of the Council's governance, risk management and internal control. In order to do this it receives reports from various sources including External Audit and the Shared Audit and Investigations team which help to provide assurance over the key areas of governance, risk management and internal controls.

The Committee also reviews and agrees the annual statement of accounts and the Annual Governance Statement and monitors treasury management decisions to ensure compliance with the previously approved Treasury Management Strategy.

(a) Internal and External Audit

The Audit Committee has responsibility for monitoring the Council's internal controls and governance arrangements. In doing so the Committee frequently received progress reports on the work and performance of the Shared Audit and Investigations Service and Ernst & Young, the Council's external auditor.

The Committee considered and approved the 2017/18 Internal Audit and Investigation Plan which detailed those audits which were proposed to be undertaken during 2017/18 and the scope of these reviews.

Members reviewed and approved the external audit plan. The Committee also received the External Audit Annual Audit Letter 2015/16 following the completion of the audit procedures for the year ended 31 March 2016 which outlined the areas of work carried out and the conclusions drawn.

Auditor appointment:

Members received a report at the December Audit Committee meeting regarding the pros and cons of two proposed options for appointing the Council's auditors for the five years commencing for the audit of the Council's 2018/19 annual accounts. The Committee recommended to Full Council that the Council opt into the Public Sector Audit Appointment process.

(b) Investigations

During the year the Committee has been informed of the reactive work of the Investigations Team, part of the Shared Audit and Investigation Service. Members were also informed of proactive counter fraud drives undertaken including around the New Homes Bonus and Council Tax Student Exemptions.

It was noted that both the Internal Audit and Investigation teams were selling their services, undertaking work on behalf of other local authorities.

(c) Risk Management

The Committee monitored the effectiveness of the Council's risk management arrangements and received updates on the Corporate Risk Register at every

meeting. Members asked for further detail and context regarding a number of risks throughout the year in order to seek assurance.

Members considered the Enterprise Risk Management Policy and Guidance and recommended that it be adopted unchanged.

(d) Statement of Accounts

The Committee must approve the annual statement of accounts and in doing so must consider whether appropriate accounting policies were followed and whether there were concerns arising from the financial statements or from the audit that Council needed to be informed of. Members considered and approved the annual statement of accounts in September 2016.

(e) Corporate Governance

The Committee has responsibility for considering the Council's arrangements for corporate governance and agreeing the necessary actions to ensure compliance with best practice. As part of this Members oversaw the production of the 2015/16 Annual Governance Statement and approved it on behalf of the Council prior to its inclusion in the final Statement of Accounts.

Members received a report in February 2017 which provided information on the various claims and returns for which local authorities were required to make their own audit arrangements; Teachers' Pension Return; the Pooling of Housing Capital Receipts Return, and the Review of Sub Contracting Arrangements for the Skills Funding Agency.

(f) Treasury Management

The Committee monitored treasury management decisions to ensure compliance with the Treasury Management Strategy.

The agreement of the Treasury Management Strategy and Policies and making recommendations to the Executive and Council regarding these is a key responsibility of the Audit Committee. The Committee received the Treasury Management Strategy 2017/18 in February 2017, prior to its approval by Council. The Strategy detailed the expected treasury activity for the forthcoming year and includes prudential indicators relating specifically to Treasury Management for the next three years.

In December 2016 the Committee considered the Treasury Management Mid-Year report 2016-17 which summarises the Treasury Management operations during the first six months of 2016/17. It was confirmed that as at 30th September 2016 there had been no breaches of the treasury strategy 2016/17.

(g) Retrospective Purchase Orders

The Committee requested regular updates on retrospective purchase orders and monitored actions taken by Officers to reduce their prevalence. The Committee was pleased to note that the rate of occurrence continued to decrease.

(h) Corporate Complaints process

The Committee received an update on the implementation of the Council's corporate complaints process and compliments at its meeting in December 2016.

(i) 21st Century Council

The Committee considered whether the governance arrangements in place to implement the 21st Century Council project, were sufficient.

3. CONCLUSION

The Council's systems of internal control, governance and risk management arrangements are appropriate to ensure the achievements of the Council's objectives.

David Lee
Chairman, Audit Committee
March 2017