



WOKINGHAM BOROUGH COUNCIL

Audit Committee Annual Report 2014/15

1. KEY ACTIVITIES OF THE AUDIT COMMITTEE

- 1.1 The Audit Committee provides independent assurance over risk management, the system of internal control in operation at the Council and governance.
- 1.2 The Committee has fulfilled this task this year by undertaking the following key activities:

(a) Internal and External Audit

To assist it in its role of monitoring the Council's internal control, risk management and governance arrangements the Audit Committee oversees the activity of the Council's Internal and External Auditors (Ernst & Young). The Committee has reviewed both the internal and external audit plan and received regular progress updates.

In October 2014 the Internal Audit service transferred to a Shared Internal Audit Service (SIAS) with the Royal Borough of Windsor and Maidenhead Council. The Investigations team transferred into the shared service from December 2014.

The Audit Committee is satisfied that both Internal and External Audit is effective and adds value.

(b) Prevention and Detection of Fraud and Corruption

The primary objective of the Investigations Team within the Shared Internal Service is to meet the Chief Finance Officer's statutory obligation to prevent and detect fraud and corruption against the Council. The team carries out a wide range of investigations including breaches of the Council's staff code of conduct and whistleblowing allegations.

Members have also been kept updated on other aspects of the Investigations Team's work including its Counter Fraud work.

On 1 November 2014 Benefit Fraud Work investigations transferred to the Department of Work and Pension's Single Fraud Investigation Service. In December 2014 the Audit Committee received assurance that the data transfer process had followed the Council's strict information security protocol.

(c) Risk Management

The Audit Committee continued to monitor the effectiveness of the Council's risk management arrangements. The Committee received updates on the Corporate Risk Register at each meeting and was satisfied that corporate risks were being adequately managed.

The Committee recommended the adoption of the Enterprise Risk Management Policy and Guidance in February 2014 and again in December 2014.

(d) Approval of Accounts

Part of the Audit Committee's role is to agree the annual statement of accounts and specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

The Council's annual statement of accounts was approved by the Audit Committee in September 2014. As part of this process, Members considered the external auditor's, Ernst & Young's annual report to those charged with governance on issues arising from the external audit of the accounts. Having reviewed this and the annual statement of accounts, the Committee was satisfied that the most appropriate accounting policies had been actioned.

(e) Corporate Governance

The Audit Committee oversaw the production of the Council's Annual Governance Statement for 2013/14 and approved it prior to its inclusion in the statement of accounts. As part of this process the Committee noted the required action to ensure compliance with best practice in corporate governance.

(f) Treasury Management

The Audit Committee is responsible for agreeing the Treasury Management Strategy and Policies prior to recommendations being made to the Executive and Council.

The Treasury Management Strategy and the Medium Term Financial Plan are agreed every February by Council. The Audit Committee also reviewed a Treasury Management annual report in July and a mid-year review Treasury Management report in December.

(g) Retrospective Purchase Orders

The 2012/13 Creditors Internal audit report had highlighted a large number of retrospective Purchase Orders raised during sample testing. During the 2014/15 municipal year the Committee has been regularly updated on action being taken to greatly reduce this number and to ensure compliance with best practice.

2. IMPROVEMENTS TO THE AUDIT COMMITTEE'S EFFECTIVENESS

2.1 The Audit Committee has continued to hold training sessions and briefings prior to the start of the meetings, on a number of topics relevant to the Committee's roles and responsibilities.

2.2 In line with the Audit Committee Handbook, the Chairman of the Audit Committee has met twice with the Chairman of the Overview and Scrutiny Management Committee, to discuss the progress of both the Committee's Work Programmes and to raise issues of mutual concern.

3. CONCLUSION

- 3.1 To conclude, the Audit Committee is of the view that the Council's systems of internal control, governance and its risk management arrangements are sufficient to manage the achievements of its objectives.
- 3.2 I would like to thank all Members and Officers who have been involved in the work of the Audit Committee throughout this municipal year.

Guy Grandison
Chairman, Audit Committee
March 2015