



WOKINGHAM BOROUGH COUNCIL

Audit Committee Annual Report 2017/18

1. ROLE OF THE AUDIT COMMITTEE

The Audit Committee provides independent assurance over the Council's governance arrangements, risk management and the system of internal control in operation. This year the Committee has fulfilled this task by considering the following:

(a) Internal and External Audit

Internal Audit

Monitoring the Council's internal controls and governance arrangements forms part of the Audit Committee's remit. In undertaking this role the Committee received quarterly progress reports on the work and performance of the Shared Audit and Investigations Service and Ernst & Young, the Council's external auditor.

In June 2017 the Committee received and approved a revised Audit and Investigations Plan 2017-18 which detailed those audits which were proposed to be undertaken during 2017/18 and the scope of these reviews. The Plan had been amended following a reprioritisation of work due to a number of factors such as the 21st century council project. The 2018/19 Audit and Investigation Plan which detailed the proposed work to be undertaken by Internal Audit and Investigations for the forthcoming year, was considered and approved in February 2018.

Housing Revenue Account Rents Audit

An update on the actions being taken with regards to the six outstanding recommendations from the 2015/16 Rents Audit report (of which two are high risk and four are medium risk) and the progress being made against these was received in December 2017.

External Audit

In addition the Committee received and approved the External Audit Plan 2017-18 in February 2018. Members noted the timetable showing the key stages of the audit and the agreed deliverables and received assurance that the new July deadline would be achieved.

(b) Investigations

Throughout the municipal year the Committee has been informed of the work on investigations undertaken by the Shared Audit and Investigation Service. The Investigations element of the Audit and Investigations Plan includes fraud awareness, proactive fraud drives and investigation of fraud and malpractice.

(c) Risk Management

The Committee received updates on the Council's Corporate Risk Register at each meeting. Members requested further information and context in relation to a

number of risks throughout the year so as to receive assurance regarding the effectiveness of the Council's risk management arrangements.

(d) Statement of Accounts

Part of the Audit Committee's role is to approve the Council's annual statement of accounts. In doing this the Committee must take into account if the appropriate accounting policies were followed and if there were concerns arising from the financial statements or from the audit that Council needed to be made aware of. The Committee reviewed and approved the annual statement of accounts in September 2017.

(e) Corporate Governance

The Committee must consider the Council's arrangements for corporate governance and agree any necessary actions to ensure compliance with best practice. As part of this the Committee oversaw the production of the 2016-17 Annual Governance Statement and approved it on behalf of the Council prior to its inclusion in the final Statement of Accounts. Members were satisfied that the Annual Governance Statement properly reflected the risk environment.

Members received a report in February 2018 which detailed the 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 Education Skills Funding Agency.

(f) Treasury Management

The Committee received the Treasury Management Strategy 2018-19 at its meeting in February 2018 and recommended it to Council. The Treasury Management Strategy is agreed annually by Council at the same time that the Medium Term Financial Plan is approved.

In addition the Committee considered the Treasury Management Outturn report 2016-17 in June 2017 and the Treasury Management Mid-Year Report 2017/18 in December 2017.

(g) Council's Corporate Complaints process

The Committee received two updates on the implementation of the Council's corporate complaints process and compliments received throughout the year. Members noted that there had been a reduction in the number of complaints escalated to Stage 2. This was in keeping with the focus of the complaints process now being on resolution at as early a stage as possible.

(h) 21st Century Council - governance arrangements

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

December 2017 Members were updated on the conclusions from the internal audit of governance arrangements for the 21st Century Council programme.

(i) General Data Protection Regulations

The Committee sought assurance regarding the Council's preparedness for the implementation of the General Data Protection Regulations from 25 May 2018, receiving a briefing at its meeting in February 2018.

(j) Prevention and Detection of Fraud and Corruption

Members received and reviewed the Council's updated policies and procedures to prevent and detect fraud and corruption and recommended their approval to Council.

2. CONCLUSION

To conclude, the Audit Committee is satisfied that the Council's systems of internal control, governance and its risk management arrangements are sufficient to manage the achievements of its objectives.

Anthony Pollock
Chairman, Audit Committee
March 2018