Audit Committee

AGENDA

meeting to be held in

the

Walton Suite

at 6.30pm

Guildhall

Winchester

on

Thursday

29 September 2016

AUDIT COMMITTEE

Membership 2016/17

Councillors

Chairman: Cutler   **Vice Chairman**: Weir

Conservative   **Liberal Democrat**
Ashton   Prince
Burns
Huxstep
Stallard

Deputies:

Jeffs   Bell
Gottlieb

Quorum = 4 Members

Timetable of scheduled meetings for 2016/17:

28 June 2016	29 September 2016	24 November 2016	7 March 2017

Meetings commence at 6.30pm in The Walton Suite, Guildhall, Winchester, unless otherwise stated.

Public Participation:

A public question and comment session is available at 6.30pm for a 15 minute period. There are few limitations on the questions you can ask. These relate to current applications, personal cases and confidential matters. Please contact Democratic Services on 01962 848 264 in advance of the meeting for further details. If there are no members of the public present at 6.30pm who wish to ask questions or make statements, then the meeting will commence.

Corporate Priorities:

The Committee will have regard to the Council's priorities as set out in its Community Strategy and Portfolio Plans. For further details, see:
http://www.wdsp.co.uk/board/winchester_district_community_strategy/

For further details on Portfolio Plans, please visit –
http://www.winchester.gov.uk/councillors-committees/portfolio-holder-plans/portfolio-plans-2015-16/

Disabled Access:

Disabled access is available, but please phone Democratic Services on

01962 848 264 or email democracy@winchester.gov.uk to make the necessary arrangements.

Further information:

Further information about the Audit Committee is available from the Council's website by using this link - http://www.winchester.gov.uk/meetings/ou/10/

Terms of Reference:

Statement of purpose

(i)	The Audit Committee is a key component of Winchester City Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
(ii)	The purpose of the Audit Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Winchester City Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Delegated Powers

Governance, Risk and Control

(iii)	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
(iv)	To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
(v)	To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
(vi)	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
(vii)	To monitor the effective development and operation of risk management in the Council.
(viii)	To monitor progress in addressing risk-related issues reported to the committee.
(ix)	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

(x)   To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.

(xi)   To monitor the counter-fraud strategy, actions and resources.

Internal Audit

(xii)   To approve the Internal Audit Charter.

(xiii) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

(xiv)   To approve the risk-based internal audit plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

(xv)   To approve significant interim changes to the risk-based internal audit plan and resource requirements.

(xvi)   To make appropriate enquiries of both management and the Chief Internal Auditor to determine if there are any inappropriate scope or resource limitations.

(xvii) To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These will include:

    (a)   Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.

    (b)   Regular reports on the results of the Quality Assurance and Improvement Programme.

    (c)   Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.

(xviii) To consider the Chief Internal Auditor's annual report:

    (a)   The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.

    (b)   The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.

(xix)   To consider summaries of specific internal audit reports as requested.

(xx)   To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are

concerns about progress with the implementation of agreed actions.

(xxi) To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.

(xxii) To consider a report on the effectiveness of Internal Audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

(xxiii) To support the development of effective communication with the Chief Internal Auditor.

External Audit

(xxiv) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

(xxv) To consider specific reports as agreed with the external auditor.

(xxvi) To comment on the scope and depth of external audit work and to ensure it gives value for money.

(xxvii) To commission work from internal and external audit.

(xxviii) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial Reporting

(xxix) To review and approve the annual statement of accounts. 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.

(xxx) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

(xxxi) To report to the Leader, relevant Portfolio Holder, or Cabinet as appropriate, on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.

(xxxii) To report to full council on an exception basis if needed, should a matter of sufficient importance require to be drawn to the attention of full Council.

AGENDA

OPEN TO THE PUBLIC

PROCEDURAL ITEMS

1.   **Apologies and Deputy Members**
     To note the names of apologies given and Deputy Members who are attending the meeting in place of appointed Members.

2.   **Membership of Sub-Committees etc**
     To give consideration to the approval of alternative arrangements for appointments to bodies set up by the Committee or the making or terminating of such appointments.

3.   **Disclosures of Interests**

     To receive any disclosure of interests from Members and Officers in matters to be discussed.

     Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.

     If you require advice, please contact the appropriate Democratic Services Officer, prior to the meeting.

4.   **Chairman's Announcements**

5.   **Minutes** of the previous meeting held on 28 June 2016 – attached for Members of the Committee only*

BUSINESS ITEMS

Report Number

6.   Cllr Learney, as chairman of The Overview and Scrutiny Committee, to describe the review of Scrutiny work that is being carried out by that Committee.

7.   Corporate Risk Update   AUD167

8.   Internal Audit Progress Report 2016 - 2017   AUD165

9.   Audit Results Report for the Year Ended 31 March 2016   AUD166

10. Annual Financial Report 2015/16   AUD168
                                                                        (to follow)

11. Gifts and Hospitality   AUD170

12. Audit (Governance) Sub Committee – Minutes from 19 July 2016   AUD169

13. Audit Committee – Identification of training needs   Oral

Representatives of the External Auditors will be in attendance and will be available to answer questions of the Committee.

City Offices
Colebrook Street   H Bone
Winchester   Head of Legal and Democratic Services
SO23 9LJ

21 September 2016 – Agenda Contact: David Shaw 01962 848 221 dshaw@winchester.gov.uk

*Note: With the exception of exempt items, all minutes and reports listed are available on the Council's Website: www.winchester.gov.uk