



Meeting                      Audit Committee

Date and Time              Thursday, 31st May, 2018 at 6.30 pm.

Venue                         Walton Suite, Guildhall, Winchester

**AGENDA**

**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.     Disclosure 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.

3.     Chairman's Announcements
4.     Appointment of Vice-Chairman for the 2018/19 Municipal Year
5.     To note the time of future meetings of the Committee

31 May 2018	31 July 2018	29 November 2018	7 March 2019	30 May 2019
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6.     Minutes of the Previous Meeting held on 8 March 2018 (Pages 5 - 10)

**BUSINESS ITEMS**



7. Public Participation  
To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the Committee.
8. Governance Quarterly Update Quarter 4 2017/18 (Pages 11 - 20)  
(AUD210)
9. Annual Internal Audit Report and Opinion 2017/18 (Pages 21 - 36)  
(AUD213)
10. Annual Audit and Certification Fee 2018/19 (Pages 37 - 44)  
(AUD212)
11. Work Programme 2018/19 (Pages 45 - 50)  
(AUD209)
13. EXEMPT BUSINESS: To consider whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
  - i) To pass a resolution that the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100 (l) and Schedule 12A to the Local Government Act 1972.

Item

Para No. of Schedule  
12a to the Act giving description of  
exempt information giving rise  
to the exclusion of the public

14. **Draft Annual Financial Report 2017/18 (exempt appendix) (To Follow)**

L Hall  
Legal Services Manager

23 May 2018

Agenda Contact: Dave Shaw Principal Democratic Services Officer  
Tel: 01962 848221 email: dshaw@winchester.gov.uk

## **MEMBERSHIP**

Audit Committee

Councillor Cutler (Chairman)  
Councillor

Cllr Bentote  
Cllr Burns  
Cllr Huxstep  
Cllr Mather  
Cllr Prince  
Cllr Stallard

Quorum = 4 members

### **TERMS OF REFERENCE**

Audit Committee Committee – Included within the Council's Constitution (Part 3, Section 2)

### **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.

### **DISABLED ACCESS:**

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) to ensure that the necessary arrangements are in place.

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## **AUDIT COMMITTEE**

**8 March 2018**

Attendance:

Councillors:

Cutler (P)

Burns (P)

Huxstep (P)

Prince (P)

Stallard

Weir (P)

Weston (P)

Deputy Members:

Councillor Gottlieb (Standing Deputy for Councillor Stallard)

Others in attendance:

Councillor Ashton – Portfolio Holder for Finance

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1. **DISCLOSURES OF INTERESTS**

Councillors Huxstep declared a disclosable pecuniary interest in respect of items under consideration which may have a Hampshire County Council involvement due to his role as a County Councillor. However, as there was no material conflict of interest regarding these items, he had a dispensation granted on behalf of the Standards Committee to participate and vote in all matters which might have a County Council involvement.

2. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman stated that he had attended a seminar for Audit Committee chairs organised by Ernst and Young. Subjects covered had included how an Audit Committee was run and also asset purchases. Alternative committee meeting models for the consideration of the audit function had also been discussed.

The Chairman added that the meeting of the Audit Committee in conjunction with The Overview and Scrutiny Committee to consider revisions to the Constitution would now be held in the new Municipal Year.

3. **MINUTES**

Arising out of consideration of the minutes of previous meeting, the Strategic Director: Resources informed the meeting that a deadline had been set for East Hampshire District Council to reimburse the City Council (in respect of the Environmental Services Contract) before the end of the financial year. The outcome would be reported to the Committee's next meeting.

Following a wider discussion on the Council's outstanding debts, the Chairman requested that when considering the report on the financial statements, a reference be included on the Council's approach to managing bad debts.

RESOLVED:

That the minutes of the previous meeting held on 7 December 2017 be approved and adopted.

4. **GOVERNANCE SUMMARY REPORT – QUARTER 3 (2017/18)**  
(Report AUD202 refers)

The Strategic Director: Resources introduced the Report.

The Committee asked a number of questions and made comment on the following which were responded to by the relevant officers present:

- (i) The outstanding actions on procurement and contract management;
- (ii) The outstanding actions on the Corporate Peer Review Action Plan.

Members requested that future reports also include details on the revised completion dates for outstanding actions.

Mr Pitman and Mrs Jerams from the Southern Internal Audit Partnership were in attendance and presented Appendix 2 – Internal Audit Progress Report February 2018. Mr Pitman stated that there were no further limited assurances and there was confidence that all outstanding audits would be completed by the end of the financial year.

The Committee discussed the overdue action related to Procurement and Contract Management - Street Markets (where it was noted that all high priority actions had been cleared) and Ethical Governance (which was part of the review of the Constitution), which were responded to by the relevant officers present.

RESOLVED:

1. That the content of the report and the progress against the Annual Governance Statement Action Plan in Appendix 1 and Internal Audit Progress report included in Appendix 2 be noted.
2. That no items of significance be drawn to the attention of Cabinet.

5. **INTERNAL AUDIT PLAN 2018/19**  
(Report AUD203 refers)

Mr Pitman and Mrs Jerams from the Southern Internal Audit Partnership were in attendance and presented the Report.

Following debate, the Committee agreed that the following be considered for addition to the strategic audit plan for review over the period (2018/19 – 2020/21):

- (i) Historic Environment (in line with key area 5 of the Council's Strategy – improving the quality of the District's environment – 5a protect and enhance the District's rich heritage....);
- (ii) The contract management aspects of the relationship of the City Council with the Hampshire Cultural Trust, including whether assets were being looked after correctly and the interface of the relationship.

RESOLVED:

That subject to consideration of the inclusion of Historic Environment and the relationship of the City Council with the Hampshire Cultural Trust, as outlined above, the Internal Audit Plan as set out in Appendix 1 and the Fraud Plan in Appendix 2 be approved.

6. **INTERNAL AUDIT CHARTER 2018/19**  
(Report AUD204 refers)

Mr Pitman and Mrs Jerams from the Southern Internal Audit Partnership were in attendance and presented the Report.

RESOLVED:

That the Internal Audit Charter as set out in Appendix 1 be approved.

7. **CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2016/17**  
(Report AUD205 refers)

Mr Mathers from Ernst and Young was present at the meeting and presented the Report which summarised the results of External Audit's work on the Council's housing benefits subsidy claim for 2016/17.

RESOLVED:

That the Annual Report as set out in Appendix 1 to the Report be noted.

8. **LGA PEER REVIEW ACTION PLAN PROGRESS UPDATE**  
(Report AUD206 refers)

The Strategic Director: Resources stated that the Peer Review Team would be revisiting the Council in June 2018 for a follow-up review. By way of clarification, it was stated that the action under LGA1 was amber and not green (page 2 of appendix 1 of the Report refers).

Mr Pitman from the Southern Internal Audit Partnership was in attendance and added that the position statement was a draft for the Council's management to consider and that the terminology and language used could be made more accessible at the time it was presented to the public. The progress with the recommendations was substantial, as reflected in the review, with the amber actions only needing to be signed off (by members of Cabinet) as the work had been completed.

In reply to Members' questions, the Strategic Director: Resources stated that the clear definition of a major project and associated risk register (Action IPG4 on page 8 of the Report refers) would be based on the relationship of the project's complexity, impact and risk.

The Committee considered the timetable for completion of the outcomes of the follow-up Peer Review and the revised Constitution. In respect of the Constitution review, it was commented that an extended timetable that provided time for broad consultation on the draft outcomes, the opportunity for the Audit Committee to meet to consider a report on the subject and then the report being progressed for final consideration at a special meeting of the Council would be its preferred option. The Strategic Director: Resources stated that he would share these comments with the Leader of the Council.

RESOLVED:

That the progress against the actions in Appendix 1 and 2 to the Report be noted.

9. **LOCAL CODE OF CORPORATE GOVERNANCE 2018**  
(Report AUD207 refers)

The Strategic Director: Resources introduced the Report.

Members gave consideration into incorporating the principles of the Code into the work of the Council, for example when drafting the Council's strategies. The Strategic Director: Resources explained that the Council's Annual Governance Statement, which was considered by the Audit Committee and Cabinet, took it into consideration.

The Committee debated methods to raise awareness of the Local Code across the Council. It was suggested that it be part of the Constitution and be brought to the attention of newly elected Members. It was also commented that its language and terminology could be improved and it was agreed to circulate copies to all members of the Committee for input to improve its readability.

RESOLVED:

That the Local Code of Corporate Governance as set out in Appendix 1 be approved.



10. **PLANNING FOR AND AUDIT OF THE 2017/18 ACCOUNTS**

(Report AUD208 refers)

The Finance Manager, Financial Services, introduced the section of the Report relating to the actions to be taken to ensure that the statement of accounts for 2017/18 was fully compliant with statutory requirements and to make the Committee aware of changes impacting on the statements.

Mr Mathers from Ernst and Young was present at the meeting and introduced the external auditor's Audit Plan for the 2017/18 financial statements and value for money conclusion.

In answer to Members' questions, Mr Mathers outlined the methods that Ernst and Young would employ to ensure that they complete the 2017/18 audit in accordance with the new statutory requirements. These steps included having a timetable with strict deadlines for all local authority clients to comply with for the receipt of information and providing good communication.

RESOLVED:

1. That the report in respect of the Council's Statement of Accounts for 2017/18 be noted.
2. That the amendments to the disclosure of accounting policies be approved.
3. That the Audit Plan be noted.

The meeting commenced at 6.30pm and concluded at 8.45pm.

Chairman

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REPORT TITLE: GOVERNANCE QUARTERLY UPDATE – Q4 2017/18

31 MAY 2018

REPORT OF PORTFOLIO HOLDER: CLLR ASHTON PORTFOLIO HOLDER FOR FINANCE

Contact Officer: Joseph Holmes Tel No: 01962 848 220 Email: jholmes@winchester.gov.uk

WARD(S): ALL

## PURPOSE

To provide members of the Audit Committee with a summary overview of the key issues in respect of governance from the fourth and final quarter of the 2017/18 financial year.

## RECOMMENDATIONS:

1. That the Audit Committee notes the content of the report and the progress against the Annual Governance Statement Action Plan in Appendix 1.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 This summary document supports the Council's approach to providing efficient public services by managing and highlighting the latest key governance issues for action.

2 FINANCIAL IMPLICATIONS

- 2.1 None identified.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None identified.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the Report has been undertaken with the Portfolio Holder for Finance and the Chairman of the Audit Committee.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None required

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Reputation – ensuring that an effective governance framework is in place and followed</i>	This report is a summary of the arrangements in place to ensure the Council's governance processes and procedures are robust and fit for purpose.	By pulling together the latest issues from across governance information this gives the committee more of an opportunity to identify any cross-cutting themes that might occur.

## 11 SUPPORTING INFORMATION:

- 11.1 This report sets out the summary information in respect of the fourth and final quarter of the 2017/18 financial year concerning governance.

### ***Annual Governance Statement***

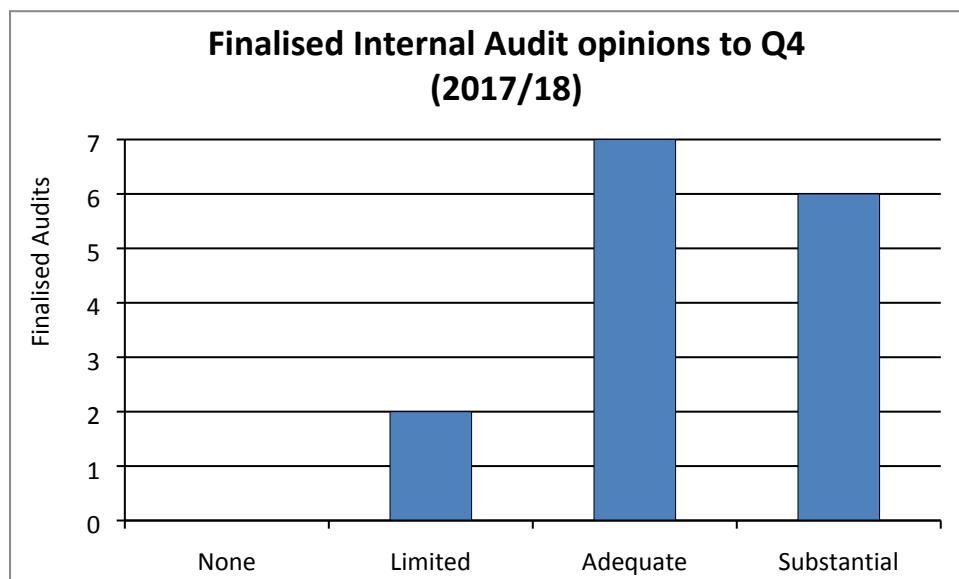
- 11.2 The Committee approved the updated Annual Governance Statement (AGS) at its meeting on 28 September 2017, and was included with the Council's Annual Financial Report 2016/17 (Report [AUD196](#) refers).
- 11.3 Appendix 1 sets out the progress that has been achieved since 1 April 2017 against the actions to manage the issues identified in the AGS.

### ***Gifts and Hospitality***

- 11.4 During the period January to March 2018, there was only one declaration of gifts and hospitality having been received by members or officers.
- 11.5 This information will continue to be updated in future quarterly Governance reports.

### ***Internal Audit assurance reports***

- 11.6 The graph below shows the assurance levels of internal audits completed in during the first nine months of 2017/18 and relate the 2017/18 Audit Plan.



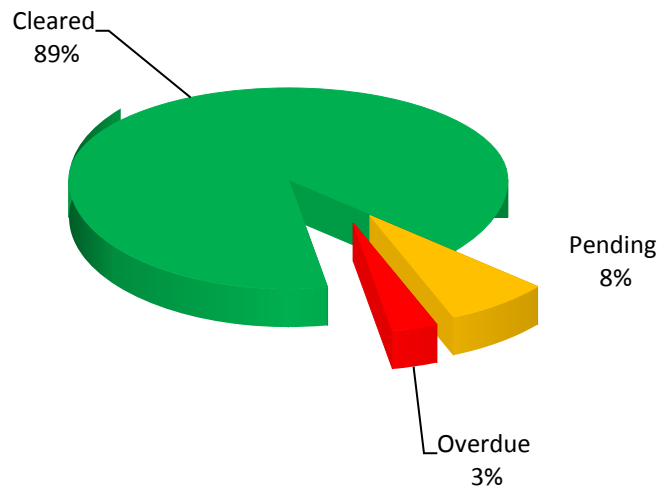
- 11.7 The limited assurance reviews are in respect of two audits completed during the year and these were for Partnership Working and Business Continuity.

There were no audit reports published during 2017/18 that concluded with a “no” assurance opinion.

### ***Internal Audit Management Action Tracking***

- 11.8 The chart below shows the current position (since 1 April 2015) of the progress of the management actions arising from internal audit reports. More detailed information is provided in the Internal Audit Progress Report included as Appendix 1.

#### **Summary of audit recommendation responses**



- 11.9 Progress against the management actions that are included in the Internal Audit reports are reviewed regularly and a summary table showing the status of these actions is reported on a quarterly basis. These recommendations and actions are kept under regular review to assess where some are superseded by external or internal factors.
- 11.10 To support the Committee quickly identify where there are overdue actions, the progress table on the next page includes only the audits where there are overdue actions. It remains a priority for officers to focus on completing their actions within the agreed timescales and progress continues to be made to reduce the total number of overdue actions.
- 11.11 The table below has been updated and includes only the internal audits where there are currently overdue actions.
- 11.12 There are currently 15 overdue audit actions with no high priority overdue actions.
- 11.13 There are a number of recently completed internal audits that have pending but not yet overdue actions, and as such are not included in the table.
- 11.14 The more detailed Internal Audit Progress report provided by the Southern Internal Audit Partnership is included in the Annual Internal Audit Report and Opinion 2017/18 (see report AUD213 elsewhere on this Committee’s agenda)

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions (‘High Priority’)				
				Reported	Not Accepted	Pending	Cleared	Overdue
Hampshire Cultural Trust	24/05/16	SDR	Limited	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)
Procurement and contract management – Street Markets	18/08/16	SDP	Limited	7 (4)	0 (0)	0 (0)	4 (4)	3 (0)
Ethical Governance	25/10/16	SDR	Adequate	12 (1)	0 (0)	0 (0)	10 (1)	2 (0)
Environmental Health	04/11/16	SDS	Adequate	10 (9)	0 (0)	0 (0)	9 (9)	1 (0)
Information Governance	28/03/17	SDR	Adequate	11 (1)	0 (0)	1 (0)	6 (1)	4 (0)
Development Management	17/05/17	SDS	Substantial	1 (0)	0 (0)	0 (0)	0 (0)	1 (0)
Recruitment	18/05/17	SDR	Limited	6 (0)	0 (0)	0 (0)	4 (0)	2 (0)
Telecommunications	05/07/17	SDR	Adequate	8 (0)	0 (0)	0 (0)	7 (0)	1 (0)

***External Audit***

11.15 The Council's external auditor's; Ernst & Young LLP have recently written to the Chief Executive providing details of the indicative fee for the Annual Audit and Certification of Accounts for the 2018/19 financial year. Further details are provided in report AUD212, elsewhere on this Committees agenda.

**12 OTHER OPTIONS CONSIDERED AND REJECTED**

12.1 None, this report is a summary of governance related items.

**BACKGROUND DOCUMENTS:-****Previous Committee Reports:-**

AUD202 Governance Summary Report – Quarter 3 (2017/18)

**Other Background Documents:-**

None.

**APPENDICES:**

Appendix 1 Annual Governance Statement 2016/17 Progress Update



**Annual Governance Statement 2016/17 Action Plan**

Progress Report – April 2018

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
1	<b>Asset Management</b> – the need to ensure that the Council has the capacity and skills to deliver the recently approved Asset Management Plan.	Regular monitoring and reporting of the progress against the actions in the Asset Management Action Plan to be undertaken.	Update on progress against the Asset Management Plan given to members of The Overview and Scrutiny Committee meeting on onby Cabinet at its meeting on 26 February 2018.	Corporate Head of Asset Management	Ongoing	<b>Complete</b>
		Internal Audit planned for 2018/19 to review the assurance over effectiveness and delivery of Asset Management Plan including repairs and maintenance to non-housing assets (planned and reactive)	Internal Audit scheduled for later in the year.	Corporate Head of Asset Management	July – September 2018	<b>On Track</b>
2	<b>Partnerships</b> – ensuring that each of the Council’s partnerships are properly constituted and have the appropriate governance arrangements in place.	Working in Partnership internal audit included in Audit Plan and scheduled for 2017/18 which will review assurance over governance, contingency arrangements, exit strategies and hosting arrangements (accountabilities).	Internal Audit Completed and Action Plan agreed.	Head of Policy & Projects/ Internal Audit	December 2017	<b>Complete</b>
		Identify and record a database of all partnerships that the Council is participating in.	Workshop held with heads of teams to identify all partnerships.	Head of Policy & Projects	December 2017	<b>Complete</b>

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
		Review the governance arrangements for each partnership.	Review of governance arrangements for most significant partnerships underway.	Head of Policy & Projects	March 2018 Revised Date June 2018	Amber
3	Capacity – ensuring that the Council has the capacity to deliver the outcomes included in the Council Strategy and Portfolio Plans by recruiting and retaining staff.	Development and approval of Workforce Development Plan for the Council.	Employee Strategy considered by Personnel Committee at its meeting on 23 November (Report <a href="#">PER304</a> refers)	Head of Human Resources	September 2017	Complete
		Quarterly performance monitoring which will identify slippage in delivering the outcomes in the Council Strategy and actions in Portfolio Plans	Quarterly monitoring now in place and reported to O&S and Cabinet regularly. Most recent report, <a href="#">OS193</a> , 29 January 2018 refers	Strategic Director: Resources	August 2017	Complete
		Internal audit planned for 2017/18 to seek assurance over transformation initiatives including resource management	Internal Audit was deferred from 2017/18 at the request of the Strategic Director: Resources. Now scheduled for Q3 2018/19	Head of Programmes/ Internal Audit	October – December 2018	Green
		Programme and Project Management internal audit also scheduled for 2017/18	Internal Audit rescheduled to take place during second half of 2018/19.	Head of Programmes/ Internal Audit	October – December 2018	Green
		HR internal audit planned for 2017/18 which will review training and development, workforce development and flexible working.	Fieldwork completed, awaiting draft report to be issued.	Head of Human Resources / Internal Audit	March 2018	Green

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
4	<b>Data Sharing and Data Security</b> – adoption of the new requirements of the General Data Protection Regulations (GDPR).	Agreement that GDPR should be managed as a Council major project	A key project for the Council. Updates to be received and considered at newly created Information Governance Officer Group.	Strategic Director: Resources	September 2017	<b>Complete</b>
		Communicate to staff the changes in the regulations	Presentations given to senior managers and staff who are impacted by the changes	Corporate Head of Resources	October 2017	<b>Complete</b>
		Completion of project plan for the implementation of GDPR	Project plan completed.	Corporate Head of Resources	September 2017	<b>Complete</b>
		Information Governance internal audit planned for 2017/18 which review information governance arrangements incl DPA, FOI, Transparency and preparation for the GDPR in May 2018	Position statement reported at the end of 2017/18. Internal Audit scheduled to carry out a further review in Q2 of 2018/19	Corporate Head of Resources / Internal Audit	July – September 2018	<b>Green</b>
5	<b>Procurement and Contract Management</b> – ensuring that the Council maintains a comprehensive, publicly accessible contract register, following its own contract procedure rules.	Increase staff awareness of the requirement to maintain a contract register	Briefing given to senior managers at the meeting held on 5 December.	Strategic Director: Resources	October 2017	<b>Complete</b>
		Training for staff on how to input contract data onto the public contract register	Guidance and reminder issued to senior managers on the requirement to maintain contract register	Head of Human Resources	November 2017	<b>Complete</b>

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
		Procurement internal audit scheduled for 2017/18 reviewing compliance with contract procedure rules and legislative requirements	Procurement audit completed and given adequate assurance	Strategic Director: Resources/ Internal Audit	Audit start date to be agreed	<b>Complete</b>
6	<b>Corporate Peer Review Action Plan</b>	Completion of the actions included in the 2017 <a href="#">Corporate Peer Challenge Action Plan</a> , including a review of political structures and developing a shared understanding of the financial challenges ahead	Report considered by Audit Committee at its meeting in March 2018 (Report <a href="#">AUD206</a> ) gave an update on the progress. Peer Review follow-up scheduled for second half of 2018	Strategic Director: Resources	October 2017	<b>Awaiting LGA Peer Review Follow Up</b>

REPORT TITLE: ANNUAL INTERNAL AUDIT REPORT AND OPINION 2017-18

31 MAY 2018

REPORT OF PORTFOLIO HOLDER: CLLR ASHTON – PORTFOLIO HOLDER FOR FINANCE

Contact Officer: Neil Pitman (Southern Internal Audit Partnership)

Tel No: 01962 845139 Email: neil.pitman@hants.gov.uk

WARD(S): ALL

## PURPOSE

The purpose of this paper is to provide the Audit Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance for 2017-18.

## RECOMMENDATION:

1. The Audit Committee accept the Chief Internal Auditor's annual report and opinion for 2017-18 attached as Appendix 1.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Internal audit plays a vital role in supporting the Council accomplish its strategic outcomes and service plan objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2 FINANCIAL IMPLICATIONS

- 2.1 The Internal Audit Plan is comprised of 310 resource days and was delivered within the agreed budget.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Corporate Governance Group and the Strategic Director (Resources) has been consulted on the contents of the Annual Internal Audit Report and Opinion 2017-18.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

## 10 RISK MANAGEMENT

10.1 The audit needs assessment follows a risk based audit approach taking cognisance of the Council's risk register.

10.2 The audit needs assessment includes a range of factors. For example:-

- Materiality – the relative significance of the area concerned, affected by the level of income/expenditure, external consequences etc.;
- Organisational impact/Corporate importance – the extent to which the organisation depends upon the efficient and effective operation of the system to deliver corporate objectives;
- Impact of management and staff – management concerns, identified problem areas, the extent of staff or system changes etc.;
- Vulnerability – the extent to which the system is vulnerable to breakdown, loss or error, corruption etc.;
- Audit/Inspection - length of time since the last review and the results of previous audits;
- Other sources of assurance – the extent to which reliance can be placed upon other external inspections.

10.3 The Southern Internal Audit Partnership follow a risk based audit approach in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Financial / VfM</i>	Internal audit supports the Council to ensure proper financial management through its audit activities and assurance service.	Sound financial management ensures that the Council is making best use of public money and achieving value for money for the residents of the District.

## 11 SUPPORTING INFORMATION:

11.1 In accordance with the Public Sector Internal Audit Standards, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control to inform the production of the Annual Governance Statement.

11.2 The Annual Report for 2017-18 (attached at Appendix 1) provides the Chief Internal Auditor's opinion on the system of internal control and summarises the audit work from which that opinion is derived for the year ending 31 March 2018.

11.3 The Audit Committee's attention is drawn to the following points:

- Internal audit was compliant with the Public Sector Internal Audit Standards during 2017-18;
- The revised internal audit plan for 2017-18 has been substantially delivered;
- The Council's framework of governance, risk management and control is considered to be 'Adequate' and audit testing has demonstrated controls to be working in practice; and
- Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

AUD185 Internal Audit Plan 2017-18

AUD188 Governance Quarterly Update – Outturn 2016-17

#### Other Background Documents:-

None

### APPENDICES:

Appendix 1 – Annual Internal Audit Report and Opinion 2017-18



# Annual Internal Audit Report & Opinion

2017 - 18

Winchester City Council



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## Southern Internal Audit Partnership

Assurance through excellence  
and innovation

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## 1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

***‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’***

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

***‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.***

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations objectives.



## 2. Internal Audit Approach

To enable effective outcomes, internal audit provide a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

A full range of internal audit services is provided in forming the annual opinion.

The approach to each review is determined by the Head of the Southern Internal Audit Partnership and will depend on the:

- level of assurance required;
- significance of the objectives under review to the organisations success;
- risks inherent in the achievement of objectives; and
- level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to the City Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.



### 3. Internal Audit Opinion

The Head of the Southern Internal Audit Partnership is responsible for the delivery of an annual audit opinion and report that can be used by the City Council to inform its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate;
- the extent of resources available to deliver the internal audit work;
- the quality and performance of the internal audit service and the extent of compliance with the Standards; and
- the proportion of Winchester City Council's audit need that has been covered within the period

#### *Annual Internal Audit Opinion 2017-18*

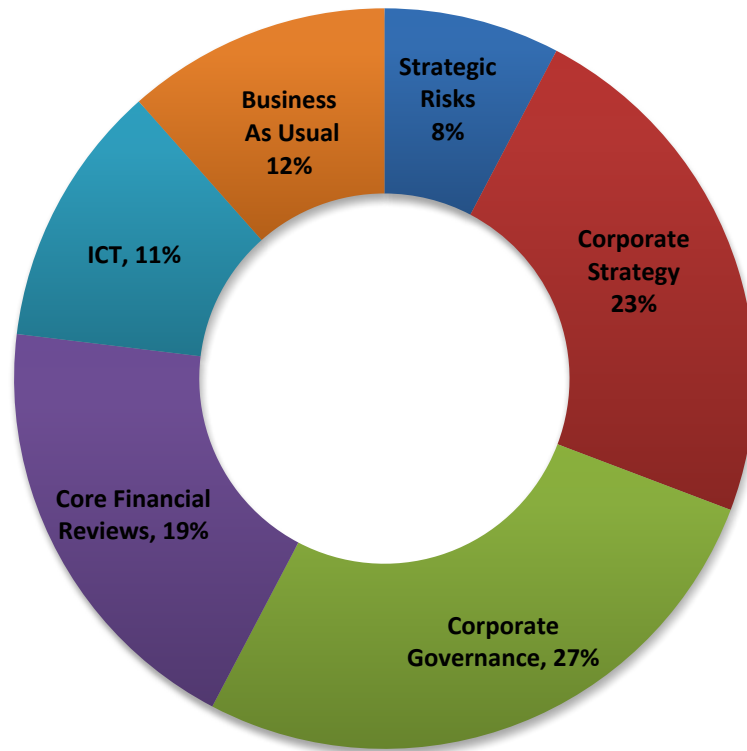
*"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Winchester City Council's internal control environment.*

*In my opinion, Winchester City Council's framework of governance, risk management and control is 'Adequate' and audit testing has demonstrated controls to be working in practice.*

*Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."*

#### 4. Internal Audit Coverage and Output

The annual internal audit plan was prepared to take account of the characteristics and relative risks of the Council’s activities and to support the preparation of the Annual Governance Statement.



Work has been planned and performed so as to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the internal control system is operating effectively.

The 2017-18 Internal audit plan, approved by the Audit Committee on 7 March 2017, was informed by internal audits own assessment of risk and materiality in addition to consultation with management to ensure it aligned to key risks facing the organisation.

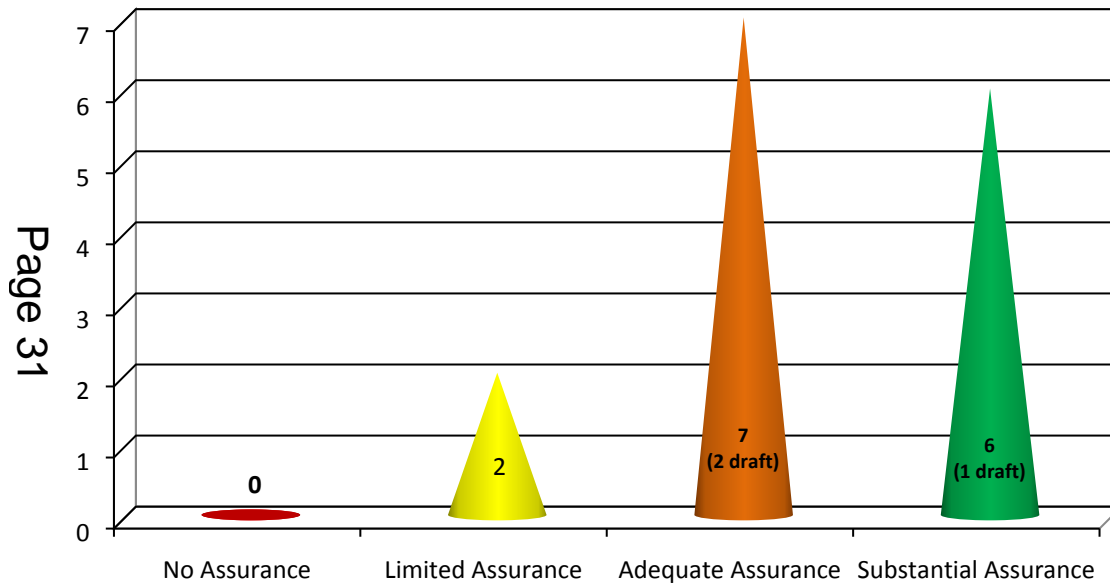
The plan has remained fluid throughout the year to maintain an effective focus.

In delivering the internal audit opinion the Southern Internal Audit Partnership have undertaken 26 reviews during the year ending 31 March 2018.

The revised 2017-18 internal audit plan has been delivered with the following exceptions:

- Work is complete and an opinion has been formed for three reviews, however, the final reports have not yet been agreed with management (Income Generation and Collection, Procurement and Housing Benefits).

I do not consider these exceptions to have an adverse impact on the delivery of my overall opinion for the period. The opinion assigned to each internal audit review on issue (including draft reports) is defined as follows:



**Substantial** - A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified;

**Adequate** - Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified;

**Limited** - Significant weakness (es) identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk; or

**No** - Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives

\*11 reviews did not culminate in an audit opinion as they relate to work conducted in respect of consultancy, advice, grant certification or concluded with a position statement

A list of the 2017/18 assurance reviews undertaken/the audit opinions is provided in Annex 1.

## 5. Key Observations

There were no 'No Assurance' opinions issued during the year. In general internal audit work found there to be a sound control environment in place across a majority of review areas that were working effectively to support the delivery of corporate objectives, however, there were some common themes identified that provide challenge to the organisations risk environment:

**Working in Partnership** - Whilst there is an awareness of the resource implications and the anticipated benefits for the Council when entering a partnership, the initial entry assessment and any on-going performance monitoring is generally informal. For a vast majority of the Council's partnerships there were found to be little or no documented arrangements in place. Where arrangements were formalised, there were found to be well documented governance arrangements in place with formal performance monitoring and reporting to senior officers and Members.

**Business Continuity** – review of the 11 critical functions assessed by the Council as requiring a Business Continuity Plan found they have not been reviewed since 2004 to ensure they remain relevant or whether other council functions / services should be included. The majority of the plans reviewed had not been regularly tested to ensure their effectiveness.

**Information Governance** – An assessment of the Council's readiness for the implementation of GDPR was undertaken during the year. Significant progress was found to have been made to meet the additional requirements imposed by the GDPR, however, it was acknowledged that the Council would not be fully compliant by the 25<sup>th</sup> May 2018. We understand that the ICO have advised Winchester City Council that demonstrating progress towards implementing GDPR requirements would be sufficient by the 25 May 2018, however, the lack of clarity with regard what constitutes 'demonstrating progress' and the conflicting messages issued from the ICO on implementation expectations places some uncertainty over potential exposure to challenge.



## 6. Quality Assurance and Improvement

The Quality Assurance and Improvement Programme (QAIP) is a requirement within ‘the Standards’.

The Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a QAIP to enable the internal audit service to be assessed against the Standards and the Local Government Application Note (LGAN) for conformance.

The QAIP must include both internal and external assessments: internal assessments are both on-going and periodical and external assessment must be undertaken at least once every five years.

In addition to evaluating compliance with the Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

An ‘External Quality Assessment’ of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015.

In considering all sources of evidence the external assessment team concluded:

**“It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to all of the principles contained within the International Professional Practice Framework (IPPF); the Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).**

**There are no instances across these standards where we determined a standard below “generally conforms”, and 4 instances where the standard is assessed as “not applicable” due to the nature of SIAP’s remit.”**

In accordance with PSIAS, annual self assessments have been completed since the external inspection concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.

## 7. Disclosure of Non-Conformance

In accordance with Public Sector Internal Audit Standard 1312 [External Assessments] which requires ‘an external quality assessment to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside of the organisation’ I can confirm endorsement from the Institute of Internal Auditors that

**‘the Southern Internal Audit Partnership conforms to the, Definition of Internal Auditing; the Code of Ethics; and the Standards’**

There are no disclosures of Non-Conformance to report.




## 8. Quality Control

Our aim is to provide a service that remains responsive to the needs of the City Council and maintains consistently high standards. In complementing the QAIP this was achieved in 2017-18 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success;
- On-going development of a constructive working relationship with the External Auditors to maintain a cooperative assurance approach;
- A tailored audit approach using a defined methodology and assignment control documentation;
- Registration under British Standard BS EN ISO 9001:2008, the international quality management standard complimented by a comprehensive set of audit and management procedures;
- Review and quality control of all internal audit work by professional qualified senior staff members; and
- A self-assessment against the Public Sector Internal Audit Standards.

## 9. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

Annual performance indicators			
Aspect of service	2016-17 Actual (%)		2017-18 Actual (%)
Revised plan delivered (including carry forward)	100		100
Positive responses to customer survey *	96		96*
Compliant with the Public Sector Internal Audit Standards	Yes		Yes

\* Customer satisfaction has been assessed through responses to a questionnaire issued to a wide range of stakeholders including Members, senior officers, key contacts and SIAP staff. 17/18 actual is based on a February 2017 questionnaire.

## 10. Acknowledgement

I would like to take this opportunity to thank all those staff throughout Winchester City Council with whom we have made contact in the year. Our relationship has been positive and management were responsive to the comments we made both informally and through our formal reporting.

Neil Pitman  
Head of Southern Internal Audit Partnership  
May 2018

## 2017/18 Audit Reviews and Opinions

Substantial Assurance	Adequate Assurance
<ul style="list-style-type: none"> <li>• Housing Asset Management</li> <li>• Emergency Planning</li> <li>• Treasury Management</li> <li>• NNDR</li> <li>• Financial Stability</li> <li>• Housing Benefits (Draft)</li> </ul>	<ul style="list-style-type: none"> <li>• Income Generation and Collection (Draft)</li> <li>• Housing Finance</li> <li>• Accounts Receivable and Debt Management</li> <li>• Software Licensing / Management of Assets</li> <li>• Network Management</li> <li>• Cyber Security</li> <li>• Procurement (Draft)</li> </ul>
Limited Assurance	No Assurance
<ul style="list-style-type: none"> <li>• Working in Partnership</li> <li>• Business Continuity</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

REPORT TITLE: ANNUAL AUDIT FEE 2018/19

31 MAY 2018

REPORT OF PORTFOLIO HOLDER: CLLR GUY ASHTON – PORTFOLIO  
HOLDER FOR FINANCE

Contact Officer: Liz Keys Tel No: 01962 848 226  
Email lkeys@winchester.gov.uk

WARD(S): ALL

## PURPOSE

This report details, for approval, the indicative 2018/19 Annual Audit and Certification Fees proposed by the Council's external auditors, Ernst & Young LLP (EY).

The indicative fee for the 2018/19 audit and certification work is at the level of the scale fees set by Public Sector Audit Appointments Ltd (PSAA) for each audited body that has opted into its national auditor appointment scheme.

PSAA has reduced the 2018/19 scale audit fee for all opted-in bodies by 23 percent from the fees applicable for 2017/18.

## RECOMMENDATIONS:

1. That the Audit Committee approves the indicative annual audit fee for 2018/19.

## IMPLICATIONS:

### 1 COUNCIL STRATEGY OUTCOME

- 1.1 Preparation of the Statement of Accounts is fundamental to the operation of the Council. Achieving corporate priorities must go hand in hand with accounting for how the Council spends public money.
- 1.2 External Audit findings contribute to the corporate governance arrangements of Winchester City Council, which in turn support the achievement of the outcomes and objectives of the Council Strategy

### 2 FINANCIAL IMPLICATIONS

- 2.1 The indicative Annual Audit fee covers the audit of the financial statements; value for money conclusion and the Whole of Government Accounts audit work and is set by the PSAA.
- 2.2 Following consultation on its Work Programme and Scale of Fees, PSAA has reduced the 2018/19 scale audit fee by 23 percent from the fees applicable for 2017/18.
- 2.3 The indicative fee for 2018/19, set at the scale level is £43,379 (the planned fee for 2017/18 is £56,336).
- 2.4 The budget has been set on the basis of the indicative fee for 2018/19 and reflects the savings in fees.
- 2.5 The Committee's attention is drawn to the assumptions that the indicative fee is based and that there maybe further costs relating to additional work required (e.g. responding to electors).

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 None.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None required.

8 EQUALITY IMPACT ASSESSEMENT

8.1 None

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None.

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i>	None	None
<i>Community Support</i>	None	None
<i>Timescales – meeting statutory deadlines</i>	Advance planning for the closing of the accounts to meet the statutory deadlines	None.
<i>Project capacity</i>	None	None.
<i>Financial / VfM</i>	Robust systems and procedures ensure the Council is complying with accounting standards required to produce the final accounting statements	An unqualified opinion and value for money conclusion provides assurance that the Council is properly accounting for and spending public money
<i>Legal -</i>	None	None
<i>Innovation</i>	None	None
<i>Reputation – failure to publish accounts within statutory deadline</i>	Proper planning and resourcing of the closing of the accounts to ensure that the statutory deadlines are met.	Publishing the accounts without qualification and within the statutory deadline provides the assurance that the Council is properly managing its finances.
<i>Other</i>	None	None

11 SUPPORTING INFORMATION:

11.1 For authorities who have chosen to opt-in to the national auditor appointment scheme, the duty to prescribe scales of fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government. Prior to 1 April 2015, these responsibilities were discharged by the Audit Commission.

11.2 PSAA set out a programme outlining the work that the auditors will undertake, with the associated scale fees for individual audited bodies which have been reduced for 2018/19 by 23 percent from the fees applicable for the 2017/18.

- 11.3 The fee for the Council is indicative based on the assumption that there is no significant change to the overall level of risk in relation to the audit of the financial statements from that of the previous year.
- 11.4 PSAA would only expect variations from the scale fee to occur where these factors are significantly different from those identified and reflected in the fee for the previous year
- 11.5 There are changes to the overall work programme for 2018/19 with the PSAA no longer responsible for the appointment of an auditor to certify the Council's 2018/19 housing subsidy claim. Authorities are now required to separately appoint external auditors to undertake this work.
- 11.6 Winchester City Council has joined with other Hampshire local authorities in a framework tender being led by Portsmouth City Council. This framework will enable each authority (all those in Hampshire and the Isle of Wight as well as those in West Sussex and Surrey) to appoint an approved external auditor to undertake the assurance work on the subsidy claim, as prescribed by the DWP.
- 11.7 Portsmouth City Council expects to award the contract in late June ready for the contracts to start in early July. A further update on progress will be brought to this Committee at its meeting in July.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 None.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

[AUD187](#) Annual Audit Fees 2017/18

#### Other Background Documents:-

None

### APPENDICES:

Appendix 1 Annual Audit and Certification Fees 2018/19 – Letter from EY





Ernst & Young LLP    Tel: + 44 2380 382 100  
Wessex House        Fax: + 44 2380 382 001  
19 Threefield Lane   ey.com  
Southampton  
SO14 3QB

Laura Taylor  
Chief Executive  
Winchester City Council  
City Offices  
Colebrook Street  
Winchester  
Hampshire  
SO23 9LJ

24 April 2018

Ref: 1819feeletter

Direct line: 023 8038 2159

Email: HThompson2@uk.ey.com

Dear Laura

## Annual Audit 2018/19

We are writing to confirm the audit that we propose to undertake for the 2018/19 financial year at Winchester City Council.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 apply for principal local government and police bodies. These audited bodies are responsible for making their own arrangements for the audit of the accounts and certification of the housing benefit subsidy claim. Public Sector Audit Appointments Ltd (PSAA) has appointed auditors for bodies that have opted into the national scheme. Appointments were made for the duration of the five-year appointing period, covering the audits of the accounts for 2018/19 to 2022/23. Appointments for all bodies that had opted into the appointing person scheme before 31 December 2017 were confirmed, following consultation, in December 2017.

### Indicative audit fee

For the 2018/19 financial year, PSAA has set the scale fee for each audited body that has opted into its national auditor appointment scheme. Following consultation on its Work Programme and Scale of Fees, PSAA has reduced the 2018/19 scale audit fee for all opted-in bodies by 23 per cent from the fees applicable for 2017/18.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts.

For Winchester City Council our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;



- Officers meeting the agreed timetable of deliverables;
- We can rely on the work of internal audit if we decide to seek to do so;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2017/18, our audit planning process for 2018/19 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

### Summary of fees

	Indicative fee 2018/19 £	Planned fee 2017/18 £	Actual fee 2016/17 £
Total Code audit fee	43,379	56,336	61,336
Certification of housing benefit subsidy claim	N/A	10,535	8,483

The appointment of an auditor to certify the Council's 2018/19 housing benefit subsidy claim is not covered by the PSAA appointment, hence is shown as not applicable here.

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

### Billing

The indicative audit fee will be billed in 4 quarterly instalments of £10,845.

### Audit plan

We expect to issue our plan before March 2019. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Strategic Director (Resources) and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit Committee.



We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me as your Engagement Lead. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Helen Thompson', written in a cursive style.

Helen Thompson  
Associate Partner  
For and on behalf of Ernst & Young LLP  
cc. Joseph Holmes, Strategic Director (Resources)  
Councillor Neil Cutler, Chair of the Audit Committee

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REPORT TITLE: AUDIT COMMITTEE WORK PROGRAMME 2018/19

31 MAY 2018

REPORT OF PORTFOLIO HOLDER: CLLR GUY ASHTON (PORTFOLIO HOLDER FOR FINANCE)

Contact Officer: Joseph Holmes Tel No: 01962 848 220 Email  
[jholmes@winchester.gov.uk](mailto:jholmes@winchester.gov.uk)

WARD(S): GENERAL

## PURPOSE

This report sets out the work programme for the Committee for the 2018/19 municipal year.

## RECOMMENDATIONS:

1. That the Audit Committee Work Programme for 2018/19 be approved.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The setting of a work programme for the Committee for the coming municipal year supports the Council's approach to delivering efficient services.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no financial implications arising from this Report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Portfolio Holder for Finance, Chair of Audit Committee and the Head of the Southern Internal Audit Partnership have been consulted on the proposed work programme as set out in Appendix 1.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Not applicable

8 EQUALITY IMPACT ASSESSMENT

- 8.1 Not applicable.

9. DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

10. RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i>	n/a	n/a
<i>Community Support</i>	n/a	n/a
<i>Timescales</i>	n/a	Having a clear work programme allows the Committee to ensure that it and the Council meets

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
		its responsibilities in a timely manner (e.g. approval and publication of the accounts within statutory deadlines)
<i>Project capacity</i>	n/a	n/a
<i>Financial / VfM</i>	n/a	n/a
<i>Legal</i>	n/a	n/a
<i>Innovation</i>	n/a	n/a
<i>Reputation</i>	Ensure that the Committee is undertaking its role and fulfilling its responsibilities and function	Provides the evidence that demonstrates that the Committee is carrying out its duties and responsibilities in an open and transparent way.
<i>Other</i>	n/a	n/a

#### 11. SUPPORTING INFORMATION:

- 11.1 The Appendix to this Report sets out the work programme for the coming municipal year for the Audit Committee.
- 11.2 The programme includes a forward look at the reports that will be presented to the Committee during the coming year supporting its purpose of providing independent assurance to members of the adequacy of the internal control environment and risk management framework.

#### 12. OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 None.

#### BACKGROUND DOCUMENTS:-

##### Previous Committee Reports:-

AUD184 Audit Committee Work Programme 2017/18

##### Other Background Documents:-

None.

#### APPENDICES:

Appendix 1 – Audit Committee Work Programme 2018/19

Audit Committee – Work Programme 2018/19**MEETING – 31 MAY 2018****TITLE****LEAD****EXTERNAL AUDIT**

Annual Audit and Certification Fee 2018/19	Helen Thompson – Executive Director, Ernst and Young
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**REGULATORY FRAMEWORK**

Governance Quarterly Update – Outturn 17/18	Joseph Holmes – Strategic Director - Resources
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Audit Committee Work Programme	Joseph Holmes – Strategic Director - Resources
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Annual Internal Audit Report and Opinion 2017/18	Neil Pitman – Head of Southern Internal Audit Partnership
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**ACCOUNTS**

Draft Annual Financial Report 2017/18	Joseph Holmes – Strategic Director - Resources
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**MEETING – 31 JULY 2018****EXTERNAL AUDIT**

Audit Results Report for the year ended 31 March 2018	Helen Thompson – Executive Director, Ernst and Young
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**REGULATORY FRAMEWORK**

Annual Governance Statement	Joseph Holmes – Strategic Director - Resources
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Governance Quarterly Update – Q1 2018/19	Joseph Holmes – Strategic Director - Resources
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Risk Management Policy 2018	Joseph Holmes – Strategic Director - Resources
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**ACCOUNTS**

Annual Financial Report 2017/18 (for approval)	Joseph Holmes – Strategic Director - Resources
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**MEETING – 29 NOVEMBER 2018****EXTERNAL AUDIT**

Annual Audit Letter 2017/18

Helen Thompson – Executive Director,  
Ernst and Young**REGULATORY FRAMEWORK**

Governance Quarterly Update Q2 18/19

Joseph Holmes – Strategic Director -  
Resources**MEETING – 7 MARCH 2019****INTERNAL AUDIT**

Internal Audit Plan 2018/19

Antony Harvey- Audit Group Manager,  
Southern Internal Audit Partnership

Internal Audit Charter 2018/19

Antony Harvey- Audit Group Manager,  
Southern Internal Audit Partnership**EXTERNAL AUDIT**Certification of Claims and Returns Annual  
Report 2017/18Joseph Holmes – Strategic Director -  
Resources**REGULATORY FRAMEWORK**

Governance Quarterly Update Q3 18/19

Joseph Holmes – Strategic Director -  
Resources

Local Code of Governance 2019

Joseph Holmes – Strategic Director -  
Resources**ACCOUNTS**Planning for and the audit of the 2018/19  
AccountsJoseph Holmes – Strategic Director -  
Resources

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