



**WYCOMBE DISTRICT COUNCIL**  
**ANNUAL AUDIT COMMITTEE REPORT 2016**

**Date:** December 2016

**Version:** 1.0

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## **Introduction by the Chair of the Audit Committee.**

I am pleased to present the Annual Report of the Audit Committee which describes the Committee's work and its achievements.

The Annual Report helps to demonstrate to the various stakeholders in the district the vital role that is carried out by the Audit Committee and the contribution that it makes to the Council's governance arrangements.

To provide ongoing assurance over the Council's internal controls and systems the Committee is attended by the Council's in house Audit, Risk and Fraud Manager.

Similarly, representatives from Ernst Young, the Council's External Auditor attend and report upon the Council's financial statements and value for money arrangements.

Looking forward to 2017/18, the Audit Committee will continue to provide robust oversight of Council's spending and value for money.

Whilst there is a cyclical work plan, the Committee is able to seek assurance from Management that any emerging areas of risk are being properly managed and controlled.

I would like to thank all Members who have served on the Audit Committee during the year and those officers who have supported the work of the Committee in presenting and discussing reports.



**Councillor Mike Appleyard**

Chairman of the Audit Committee

# **1 Audit Committee responsibilities.**

1.1 The Audit Committee is responsible for:

- Liaison with the Council's external auditors
- Reviewing and discussing the annual financial statements, external audit reports and external auditor's annual management letter prior to consideration by Cabinet and full Council.
- Corporate governance
- Internal audit
- Risk Management
- Counter Fraud
- Maintaining an overview of Health and Safety in the Council's capacity as employer or regulator.
- Analysis of key performance indicators and identification of actions required.

1.2 To ensure that the Audit Committee is able to deliver against the responsibilities outlined above, a work programme is prepared and this forms the basis of the 5 meetings that are held throughout the year.

1.3 Attached at appendix 1 is a brief outline of the meetings that have been held and the items that were covered. The planned agenda is supplemented by reports where the Committee has requested additional information or assurance from Management.

1.4 Taking the year as whole, the Audit Committee has been successful in:

- ❖ Maintaining an overview of internal control and governance
- ❖ Focussing attention on services where there are internal control or performance issues.
- ❖ Maintaining an overview of the Council's finances and receives reports from the Councils External Auditors, EY, based on their annual cycle of external audit work. We are pleased to record that the Council received an Unqualified Audit Opinion for its 2015/16 Accounts.
- ❖ Maintaining an overview of the Councils Health and Safety arrangements.
- ❖ Undertook a review of its own effectiveness based on recognised best practice and put in place an action plan relating to areas where identified improvements could be made.
- ❖ Undertook a review of Service Performance for Quarters 1 (April – June 2016 and Quarter 2 (July – September 2016).

1.5 Attached at Appendix 2 is a brief outline of the work programme for the Audit Committee up to September 2016. Audit Committee members may also request reports or ask for the details of any follow up action on a specific area of concern.

1.6 All agenda and minutes from the Audit Committee meetings are available on the Councils website: [www.wycombe.gov.uk](http://www.wycombe.gov.uk)

**2. Audit Committee Membership**

2.1 The Membership of the Audit Committee is made up 8 Councillors: 7 Conservatives and 1 Labour and 4 standing deputies: 3 Conservatives and 1 Labour.

2.2 Detailed below is a brief outline of the Audit Committee members:

	<b>Chair: Councillor Mike Appleyard</b>
	<b>Vice Chair: Councillor Saeed Saddique</b>
	<b>Councillor Tony Lee</b>



**Councillor Catherine Oliver**



**Councillor Graham Peart**



**Councillor Mohammed Hanif**



**Councillor Gary Hall**



**Councillor Nigel Teesdale**

### 3. Review of the Audit Committee's effectiveness

3.1 The Committee regularly undertakes a formal review of its own effectiveness with the last one being formally reported in September 2016.

3.2 The coverage for the review was based on CIPFA's Audit Committee Practical Guidance for Local Authorities and Police 2013 Edition. This highlighted the following training needs and opportunities of key aspects of the remit of the Audit Committee to further improve its effectiveness:

- Knowledge of the six principles of the CIPFA / SOLACE Good Governance Framework and the requirements of the Annual Governance Statement (AGS). Knowledge of the local code of governance.
- Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. Understanding of good financial management principles. Knowledge of how the organisation meets the requirement of the role of the chief financial officer, as required by CIPFA's statement on the Role of the Chief Financial Officer in Local Government.
- Understanding of the principles of risk management including linkage to good governance and decision making. Knowledge of the risk management policy and the strategy of the organisation. Understanding of risk governance arrangements, including the role of members of the Audit Committee.
- Knowledge of the Seven Principles of Public Life. Knowledge of the authority's key arrangements to uphold ethical standards for both members and officers. Knowledge of the Whistleblowing arrangements at the authority.

### 5 Further information:

If you have any comments or questions arising from this report or would like to know more about the work of the Audit Committee, please contact

Jemma Durkan Senior Democratic Services Officer

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**APPENDIX 1 - WORK UNDERTAKEN BY THE AUDIT COMMITTEE JANUARY 2016–NOVEMBER 2016.**

**Thursday 14 January 2015**

**Items covered:**

- Red Kite Update
- Audit Committee Annual Report – Draft
- Annual Review of the Risk Management Policy
- Treasury Management Strategy 2016/17
- Certification of Grants and Claims
- Issues Log
- Audit Committee Work Programme

**Thursday 3rd March 2016**

**Items covered:**

- 2015/16 Service Performance Q3 – October – December
- EY Annual Audit Plan 2015/16
- EY Annual Fee Letter 2015/16 – Update
- Health & Safety Work Programme 2016/17
- Regulation of Investigatory Powers Act 2000 (RIPA) Annual Report 2016
- Issues Log
- Audit Committee Work Programme

**Thursday 30 June 2016**

**Items covered:**

- 2015/16 Quarter 4 and End of Year Service Performance Report
- Health & Safety Annual report
- Ethical Standards for Providers of Public Services – Self Assessment
- Draft Annual Governance Statement 2015/6
- Audit, Risk & Fraud Manager's Annual Report 2015/16
- Proposed Internal Audit Programme 2016-17
- Annual review of the Anti-Fraud and Corruption Policy
- Audit Committee Work Programme

**Thursday 22 September 2016**

**Items covered:**

- Recycling Rates
- 2016/17 Quarter 1 Service Performance Report
- Statement of Accounts and Annual Governance Statement.
- Annual Review of the Anti-Fraud and Corruption Policy
- External Auditor's Audit ISA 260 Audit Results Report
- Treasury Management Annual Report 2014/15 and Prudential Indicators.
- Audit Committee Terms of Reference –Self Assessment of Good Practice
- Implementation of Internal Audit Recommendations
- Audit Committee Work Programme

**Thursday 17 November 2016**

**Items covered:**

- 2016/17 Quarter 2 Service Performance Report
- Audit, Risk & Fraud Manager's Half-Yearly Report
- Appointment of the External Auditor
- Treasury Management Mid-Year Report 2016/17
- Audit Committee Work Programme

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## APPENDIX 2 – 2017 FORWARD WORK PROGRAMME

### **Thursday 15th January 2017**

#### **Items to be covered:**

Red Kite Update report  
Draft Audit Committee Annual Report  
2016/17 Q3 Service Performance Report  
Annual Review of the Risk Management Policy  
Treasury Management Strategy 2017/18  
Certification of Grant & Claims Annual Report  
Ernst & Young Annual Audit Plan  
Ernst & Young Annual Fee letter  
Audit Committee Work Programme

### **Thursday March 2017**

#### **Items to be covered:**

Health & Safety Work Programme 2017/18  
Proposed Internal Audit Programme 2017/18  
Regulation of Investigatory Powers Act (Information Sheet)  
2016/17 Q4 and End of Year Service Performance Report  
Audit Committee Work Programme

### **June 2017**

#### **Items to be covered:**

Health & Safety Annual Report  
Annual Review of Anti-Fraud and Anti-Corruption Policy  
Draft Annual Governance Statement  
Audit Committee Terms of Reference - Self-Assessment of Good Practice  
Audit, Risk & Fraud Manager's Annual Report  
2017/18 Q1 Service Performance Report .  
Audit Committee Work Programme  
Issues Log

### **September 2017**

#### **Items to be covered**

Approval of 2016/17 Statement of Account  
External Audit- ISA 260 Audit Results Report  
Implementation of agreed recommendations  
Treasury Management Annual report 2016/17 Prudential Indicators  
2017/18 Q2 Service Performance Report  
Audit Committee Work Programme