



HILLINGDON
LONDON



Audit Committee

Members on the Committee

Rajiv P Vyas (Chairman)
Richard Lewis (Vice-Chairman)
Tony Eginton (Labour Lead)
George Cooper
Susan O'Brien

Date: TUESDAY, 17 MARCH 2015

Time: 5.00 PM

Venue: COMMITTEE ROOM 3A -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE UB8
1UW

**Meeting
Details:** Members of the Public and
Press are welcome to attend
this meeting

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This Agenda is available online at:

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Putting our residents first

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Terms of Reference

The Constitution defines the terms of reference for the Audit Committee as:

Introduction

The Audit Committee's role will be to:

- Review and monitor the Council's audit, governance, risk management framework and the associated control environment, as an independent assurance mechanism;
- Review and monitor the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and/or weakens the control environment;
- Oversee the financial reporting process of the Statement of Accounts.

Decisions in respect of strategy, policy and service delivery or improvement are reserved to the Cabinet or delegated to Officers.

Internal Audit

1. Review and monitor, but not direct, Internal Audit's work programmes, summaries of Internal Audit reports, their main recommendations and whether such recommendations have been implemented within a reasonable timescale, ensuring that work is planned with due regard to risk, materiality and coverage.
2. Make recommendations to the Leader of the Council and Cabinet Member for Finance, Property and Business Services on any changes to the Council's Internal Audit Strategy and plans.
3. Review the Annual Report and Opinion and Summary of Internal Audit Activity (actual and proposed) and the level of assurance this can give over the Council's corporate governance arrangements.
4. Consider reports dealing with the management and performance of internal audit services.
5. Following a request to the Corporate Director of Finance, and subject to the approval of the Leader of the Council and Cabinet Member for Finance, Property and Business Services, to commission work from Internal Audit.

External Audit

6. Receive and consider the External Auditor's annual letter, relevant reports and the report to those charged with governance.
7. Monitor management action in response to issues raised by External Audit.

8. Receive and consider specific reports as agreed with the External Auditor.
9. Comment on the scope and depth of External Audit work and ensure that it gives value for money, making any recommendations to the Corporate Director of Finance.
10. Be consulted by the Corporate Director of Finance over the appointment of the Council's External Auditor.
11. Following a request to the Corporate Director of Finance, and subject to the approval of the Leader of the Council / Cabinet Member for Finance, Property and Business Services, to commission work from External Audit.
12. Monitor effective arrangements for ensuring liaison between Internal and External audit, in consultation with the Corporate Director of Finance.

Governance Framework

13. Maintain an overview of the Council's Constitution in respect of contract procedure rules and financial regulations. And, where necessary, bring proposals to the Leader of the Council or the Cabinet for their development.
14. Review any issue referred to it by the Chief Executive, a Deputy Chief Executive, Corporate Director, or any Council body.
15. Monitor and review, but not direct, the authority's risk management arrangements, including regularly reviewing the corporate risk register and seeking assurances that action is being taken on risk related issues.
16. Review and monitor Council policies on 'Raising Concerns at Work' and anti-fraud and anti-corruption strategy and the Council's complaints process, making any recommendations on changes to the Leader of the Council and the Deputy Chief Executive and Corporate Director of Residents Services.
17. Oversee the production of the authority's Statement of Internal Control and recommend its adoption.
18. Review the Council's arrangements for corporate governance and make recommendations to the Corporate Director of Finance on necessary actions to ensure compliance with best practice.
19. Where requested by the Leader of the Council, Cabinet Member for Finance, Property and Business Services or Corporate Director of Finance, provide recommendations on the Council's compliance with its own and other published standards and controls.

Accounts

20. 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 financial statements or from the auditor that need to be brought to the attention of the Council.

21. Consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Review and reporting

22. Undertake an annual independent review of the Committee's effectiveness and submit an annual report to Council on the activity of the Audit Committee.

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest in Matters coming before this meeting
- 3 Minutes of the Meeting held on 16 December 2015 **(Pages 1-6)**
- 4 Exclusion of Press and Public
To confirm that all items marked Part I will be considered in public and that any item marked Part II will be considered in private.
- 5 Deloitte - Annual Grant Audit Letter **(Pages 7-18)**
- 6 Annual Governance Statement 2014/15 - Interim Report **(Pages 19-30)**
- 7 Corporate Fraud Investigation Progress Report April 2014 to February 2015 and Forward Plan for 2015/16 **(Pages 31-40)**
- 8 Balances and Reserves Statement **(Pages 41-50)**
- 9 Revisions to the Treasury Management Strategy Statement and Investment Strategy 2015/16 to 2019/20 **(Pages 51-70)**
- 10 Internal Audit - Updated Internal Audit Charter 2015/16 **(Pages 71-76)**
- 11 Internal Audit - Progress Report for Quarter 4 2014/15 **(Pages 77-96)**
- 12 Internal Audit - Draft Internal Audit Plan 2015/16 **(Pages 97-120)**
- 13 Audit Committee Forward Programme 2015/16 **(Pages 121-124)**
- 14 Update on Progress of Skills Matrix and Training and Development Plan for Audit Committee Members
Oral update to be provided.

PART II

- 15 Internal Audit - Draft Internal Audit Strategy 2015 - 2020 **(Pages 125-142)**
- 16 Risk Management Report - 2014/15 **(Pages 143-162)**