

## **AUDIT AND RISK COMMITTEE ANNUAL REPORT 2019/20**

**V2 05/04/2020**

### **1. PURPOSE OF THE AUDIT AND RISK COMMITTEE**

Following the Conservator elections in 2018 the Wimbledon and Putney Commons Conservators (WPCC) established a new Audit and Risk Committee (A&RC) in April 2018. Terms of reference were approved by the Board in May 2018 and reconfirmed in May 2019. The role of A&RC is to review and scrutinise WPCC corporate governance, financial reporting, internal control and risk management. In doing so it ensures, through proper process and challenge, that integrated governance principles are embedded and practised across all WPCC activities and that they support the achievement of the Charity's objectives. A&RC must be assured that WPCC has the required policies and procedures in place in the areas they are examining, that these policies and procedures are fit for purpose and achieve their intended purpose and that they are operational thereby providing independent assurance on them to the Board of WPCC.

A&RC prepares an annual report to the Board setting out how its terms of reference have been met during the financial year. This annual report is also published as an annex to the WPCC Annual Report. This annual report covers the period April 2019 to the end of March 2020.

### **2. TERMS OF REFERENCE AND MEMBERSHIP**

A&RC is a sub Committee of the WPC Board. Its Terms of Reference can be found on the WPCC web site at:

<https://www.wpcc.org.uk/downloads/audit-and-risk-committee-terms-of-reference-14.05.18.pdf>

and were approved at the WPCC Board meeting held on 14<sup>th</sup> May 2018. These Terms of Reference were reviewed at the A&RC meeting on 24<sup>th</sup> May 2019 where the following clarification was agreed:

“it was agreed that the Committee can report concerns over malfeasance to the Charity Commission – and any Board member has the ability to whistle blow. “

The Board received the draft minutes of A&RC meeting of 24<sup>th</sup> May 2019 at its meeting held on 10<sup>th</sup> June 2019 and made no comment.

#### **2.2 Frequency of Meetings**

Under its terms of reference, A&RC is required to meet not less than three times a year. During 2019/20 the Committee met on three occasions (see Appendix 1 for meeting dates and attendees).

## **2.3 Membership**

The Committee members, including the Chair, are appointed by the Board and currently comprise one Appointed Conservator, two Elected Conservators and one co-opted member. Meetings require the attendance of two Conservator members in order to be quorate. The members of the Committee throughout the year, together with their other committee memberships, relevant qualifications and related interests, were:

- Michael Rappolt, Appointed Conservator (Chair) - Constitutional Working Group;
- Shirley Gillbe, Elected Conservator – Constitutional Working Group, Wildlife & Conservation Forum
- Peter Hirsch, Elected Conservator
- Sarah Wilton (FCA), Co-opted member

## **2.4 Agenda and Timetable**

A new risk based integrated work plan was established in October 2019 covering the Committee's business for 2019/20 and beyond and was approved by the Board on 2<sup>nd</sup> December 2019.

The work plan is ambitious and it was recognised by the Committee that it might not all be achieved in one calendar year. In practice the Coronavirus emergency has delayed various elements of the plan.

The main headings in the plan are:

1. Governance including Risk Management
2. Governance Support
3. Natural and Cultural Heritage
4. Access and Recreation
5. Community Engagement
6. Communication and Promotion
7. Committee Business

## **2.5 Appointment of External Auditors**

The current external auditors, Kreston Reeves were appointed after a competitive open tender in February 2018. Kreston Reeves were recommended to be re-appointed in February 2020.

The Audit Committee actively assesses the effectiveness of Kreston Reeves by reviewing key performance indicators (KPIs) highlighting their performance. These KPIs were enhanced for 2020.

### **3. WORK DONE BY THE AUDIT AND RISK COMMITTEE**

#### **1. 3.1 General**

The Committee performs its work based on a risk prioritised Audit and Risk Committee Work Plan which supports the WPCC strategy and is approved by the Board.

A systematic action follow-up (Action Tracking) arrangement is used, to ensure outstanding issues and external audit recommendations and actions are brought back to the next appropriate meeting and followed up. The operation and maintenance of this tracking system is the responsibility of Chief Operations Manager and progress on the action list is reviewed at each meeting.

A&RC members are satisfied that the external auditors have received the necessary assistance from Trust Executives, managers and staff when carrying out their audit and no limitations have been placed on the scope of the work carried out by the auditors.

#### **3.2 External Audit**

ARC reviewed and where necessary approved, reports including:

- The Audit Plan 2019/20 (although this is subject to change as a result of the current Coronavirus emergency);
- Progress Reports;

#### **3.3 Meeting A&RC Terms of Reference**

The A&RC believes it has fulfilled its main duties as set out in its terms of reference as follows:

##### **3.4.1 Financial**

A&RC reviewed:

- Compliance with accounting standards and practices and any changes being proposed
- The draft financial accounts for WPCC for the 12 months to 31 March 2019
- Issues arising from the Audit of the accounts
- The External Auditor's Annual Letter
- The WPCC Annual Report

and recommended the accounts to the Board subject to a number of amendments.

##### **3.4.2 Internal Control, Risk Management and Compliance**

At each meeting A&RC reviews:

- a) Tender waivers and write offs – none this year
- b) Debt write offs – none this year
- c) The top ten risks and any changes to them
- d) The full Risk Register once a year
- e) The actions arising from previous meetings and the progress with them

In addition A&RC reviewed the following:

- a) Expense procedures
- b) Compliance with Charity Commission regulations
- c) Enforcement of WPCC Bye-Laws
- d) GDPR Compliance
- e) The role, membership and terms of reference of the Stakeholder Working Group
- f) Conservators' annual register of interest
- g) The Risk Strategy of WPCC
- h) Authority and approval systems and processes
- i) Fraud and corruption controls, consistency of application and resilience to fraud
- j) Compliance with Natural England requirements re SSSI
- k) Contingency and disaster planning
- l) Fire security compliance
- m) The external review of HR procedures
- n) The external review of Health and Safety
- o) The Friends scheme processes
- p) Fixed Asset Register
- q) Insurance Risk
- r) Progress on IT strategy and security
- s) Access framework progress
- t) Complaints procedures and actual complaints

### **3.4.3 Whistleblowing**

- a) At each meeting A&RC reviews the Whistleblowing reports of which there were none in the period under consideration

### **3.4.4 Other**

- a) Initiated an annual review of Board performance
- b) The Communication Strategy of WPCC
- c) Commenced an assessment of WPCC's Governance using the Charity Governance Code
- d) Tree hazard management

### **3.5 Reporting to the Board**

Minutes of A&RC are received by the Board during its meetings throughout the year. The Top Ten Risks from the Risk Register are a standing item at each Board meeting. In addition, after each A&RC meeting, the A&RC Chair provides either an oral or written report to the subsequent Board meeting on

significant conclusions, concerns and recommendations arising from the Committee’s work. Amongst the issues highlighted to the Board this year were the following:

- a) That the Action Tracker was still working well and all actions were being followed up
- b) That it was recommended that Legal Services be re-tendered at an appropriate time
- c) Recommended the 2018/19 draft Annual Report and Audited Accounts to the Board.
- d) Feedback on the auditors was very positive emphasising good value added, responsiveness and availability
- e) Enforcement of Bye-Laws should be reviewed.
- f) That an Archiving policy was required
- g) Contingency and Disaster planning is good but needs some detailing
- h) That Fire Security, whilst good, needs some enhancement
- i) That WPCC re-tender its insurance brokerage service in 2021
- g). That the Board approve the auditor’s fees for the 19/20 audit and the audit plan subject to change due to the current Coronavirus restrictions

#### 4 CONCLUSION

The Audit and Risk Committee believes that it has, to the best of its ability, met its terms of reference. It gratefully acknowledges the excellent support it has received from WPCC staff without which it could not have fulfilled its remit.

Mike Rappolt  
Chair of the Audit and Risk Committee 2019/20

#### AUDIT COMMITTEE ATTENDANCE 2018/19

#### Appendix 1

|  |  |                   |                   |
|--|--|-------------------|-------------------|
|  | <b>24/05/2019</b>  | <b>06/11/2019</b> | <b>24/02/2020</b> |
|  | <b>Joint with<br/>Finance and<br/>Investment<br/>Committee for<br/>Audit Items</b> |                   |                   |

|  |   |          |   |
|--|---|----------|---|
| <b>AUDIT COMMITTEE MEMBERS</b>         |   |          |   |
|  |   |          |   |
| Mike Rappolt (Chair)                   | √ | √        | √ |
| Shirley Gillbe                         | √ | √        | √ |
| Peter Hirsch                           | √ | √ (part) | √ |
| Sarah Wilton                           | √ | √ (part) | √ |
|  |   |          |   |
| <b>WPCC SENIOR LEADERSHIP TEAM</b>     |   |          |   |
|  |   |          |   |
| Simon Lee                              | √ |          |   |
| Stephen Bound                          | √ | √        | √ |
|  |   |          |   |
| <b>EXTERNAL AUDIT – Kreston Reeves</b> |   |          |   |
|  |   |          |   |
| Simon Webber                           | √ |          |   |
| Kelly Prior                            | √ |          |   |
|  |   |          |   |