

## **AUDIT AND RISK COMMITTEE ANNUAL REPORT 2018/19**

### **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 (ARC) in April 2018. Terms of reference were approved by the Board in May 2018. The role of ARC 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. ARC must be assured that WPCC has the required policies and procedures in place in the areas they are examining, that these policies and procedures achieve their intended purpose and that they are operational thereby providing independent assurance on them to the Board of WPCC.

ARC 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. It covers the period April 2018 to the end of March 2019.

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

The ARC 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.

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

Under its terms of reference, ARC is required to meet not less than three times a year. During 2018/19 the Committee met on four 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 and related interests, were:

- Michael Rappolt, Appointed Conservator (Chair) - Constitutional Working Group;
- Shirley Gillbe, Elected Conservator – Constitutional Working Group, Wildlife & Conservation Forum, Golf Club Working Group
- Peter Hirsch, Elected Conservator - Car Park Working Group

- Sarah Wilton – Co-opted member since 7<sup>th</sup> November 2018. Undertook for the WPC Board “An Internal Review of the Board’s Decision on an EIR Request relating to the Royal Wimbledon Golf Club and the Maintenance Centre”.

## **2.4 Agenda and Timetable**

A risk based integrated work plan was established in June 2018 covering the Committee’s business for 2018/19 and beyond and was approved by the Board on 18<sup>th</sup> September 2018.

The work plan is ambitious and it was recognised by the Committee that it might not all be achieved in one calendar year.

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**

In 2018 WPC changed its External Auditors. The current external auditors are Kreston Reeves as recommended after a competitive open tender and then approved by the Board at their meeting in February 2018.

The Audit Committee actively assess the effectiveness of Kreston Reeves by reviewing key performance indicators highlighting their performance.

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

### **3.1 General**

The Committee performs its work based on a risk prioritised Audit and Risk Committee Work Plan which supports the WPC strategy. The External Auditors were consulted on certain matters within the plan.

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 the action list is reviewed at each meeting.

ARC 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 2018/19;

- Progress Reports;
- KPI Benchmark Report

### 3.3 Annual report and financial reporting

ARC reviewed:

- Compliance with accounting standards and practices and any changes being proposed
- The draft financial accounts for WPCCC for the 12 months to 4<sup>th</sup> April 2018
- Issues arising from the Audit of the accounts
- The External Auditor's Annual Letter
- The WPCCC Annual Report

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

### 3.4 Areas Reviewed

ARC reviewed the following during the year:

- a) At each meeting:
  - a. Whistleblowing reports –none this year
  - b. Tender waivers and write offs – none this year
  - c. Debt write offs – none this year
  - d. Top ten risks and identified changes to them
  - e. Action tracking – actions arising from ARC meetings or from Audit reports completed or in progress
- b) IT Strategy – after an initial review this was passed over to the Finance and Investment Committee to progress
- c) The Risk Register in total and the Risk Management Process
- d) The Whistleblowing Policy in respect of Trustees (there is a separate staff whistleblowing policy)
- e) Asset Register procedures
- f) HR policies, Employee Handbook, and their application and monitoring
- g) Contingency and Disaster Planning
- h) Cash Management
- i) Financial Controls – Responsibilities, Fraud Control and Segregation of Duties
- j) Financial Control Manual
- k) Procurement Process and achievement of Value for Money

### 3.5 Reporting to the Board

Minutes of ARC 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 ARC meeting, the ARC Chair provides an oral report to the Board on significant conclusions, concerns and recommendations arising from the Committee's work. The issues highlighted to the Board this year included the following:

- a) That the Action Tracker was working well and all actions were being followed up
- b) That the Asset Register needed clarification and that while it was being used as a financial tool there was also opportunities to make it an operational tool linking to planned maintenance and contracts

- c) A recommendation to Board that they request the Executive to develop a costed approach to overcoming the current staff capacity issues, incorporating where appropriate all means of improving productivity
- d) That an Archiving policy was required

#### **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 2018/19

## AUDIT COMMITTEE ATTENDANCE 2018/19

	24/05/2018	16/07/2018	24/10/2018	25/02/2019
<b>AUDIT COMMITTEE MEMBERS</b>				
Mike Rappolt – Chair	✓	✓	✓	✓
Shirley Gilbe	✓	✓	✓	✓
Peter Hirsch	✓	✓	✓	✓
Sarah Wilton (appointed November 2018)				✓
<b>WPC Senior Leadership Team</b>				
Simon Lee – Chief Executive	✓	✓		✓
Stephen Bound - Chief Operations Manager	✓	✓	✓	✓
<b>EXTERNAL AUDIT – Kreston Reeves</b>				
Simon Webber	✓			✓
Kelly Prior	✓			✓