

## **AUDIT AND RISK COMMITTEE ANNUAL REPORT 2021/2022**

### **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). Terms of reference were approved by the Board in May 2018 and reconfirmed in May 2019, December 2020 and April 2022 when they were slightly revised. 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 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.

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 published as an annex to the WPCC Annual Report and covers the period April 2021 to the end of March 2022.

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

ARC is a committee of the WPCC 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 11<sup>th</sup> April 2022.

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

Under its terms of reference, ARC is required to meet not less than three times a year. During 2021/22 the Committee met on four occasions (see Appendix 1 for meeting dates and attendees).

#### **2.3 Membership**

The Committee members are appointed by the Board and currently comprise one Appointed Conservator, two Elected Conservators and support by one member of the public with the relevant experience and professional background. The Chairman of ARC is elected each year by its members and this recommendation is put to the Board for approval. 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 were:

- Michael Rappolt, Appointed Conservator (Chair)

- Michael Johnston, Elected Conservator, Wildlife and 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 November 2021 covering the Committee's business for the balance of 2021, 2022 and beyond and was noted by the Board at its meeting on 13<sup>th</sup> December 2021 without further comment.

As last year the workplan is ambitious and it was recognised by ARC that it might not all be achieved in one calendar year. In practice, once more, the Coronavirus Pandemic has delayed various elements of the plan although less than last 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**

The current external auditors, Kreston Reeves were appointed after a competitive open tender in February 2018. Kreston Reeves were recommended to be re-appointed by ARC in February 2022.

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

## **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.

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 Executive and progress on 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 2021/22;
- Progress Reports;

### **3.3 Meeting ARC Terms of Reference**

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

#### **3.3.1 Financial**

ARC 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 2021
- Issues arising from the Audit of the accounts
- The External Auditor's Annual Letter
- The WPCC Annual Report
- The proposed Audit Plan for the 12 months to end March 2022

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

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

At each meeting ARC 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 and Risk Management Processes once a year.
- e) The actions arising from previous meetings and the progress with them

In addition, ARC reviewed the following:

- a) Management of the WPCC Internet Portal
- b) Windmill safety inspections
- c) Progress with the IT strategy
- d) Cybersecurity, contingency and disaster planning
- e) Progress on the Access Framework
- f) Fraud and corruption controls

- g) HR Policies and processes
- h) Fire security controls
- i) Benchmarking strategy
- j) Compliance with Natural England Heritage SSSI requirements
- k) Tree hazard management
- l) Stakeholder Working Group governance
- m) Safeguarding policies and procedures
- n) GDPR compliance
- o) Licensing arrangements for Personal Trainers and other Professional Service Organisations
- p) Leaseholder/Licensee compliance with legal obligations
- q) Conservators' annual register of interest and declarations

### **3.3.3 Whistleblowing**

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

### **3.3.4 Other**

- a) In 2020 ARC completed an assessment of WPCCC's Governance using the Charity Governance Code (CGC) Template for Large Charities and produced an Action Plan for strengthening WPCCC Governance. ARC also recommended that the review be noted in the WPCCC Annual Report and that where WPCCC did not comply with CGC requirements it explained either why it did not or the action it intended to take to comply. The Board endorsed this and ARC has continued to monitor the progress of the actions arising. One of the weakest areas of demonstrable compliance by WPCCC within the CGC is under the heading of Principle 6 –

“Equality, Diversity and Inclusion: The board has a clear, agreed and effective approach to supporting equality and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purpose.”

At the April 2022 meeting of the Board it agreed an Equality, Diversity and Inclusion policy as developed and recommended by ARC.

## **3.4 Reporting to the Board**

Minutes of ARC meetings 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 either an oral or a written report to the subsequent Board meeting on significant conclusions, concerns and recommendations arising from the Committee's work.

ARC made the following recommendations to the Board during 20/21:

- a. **That external assurance is sought this year to assess our GDPR compliance**

- b. **ARC requested that WPCC clarify land ownership and usage in front of the Hand in Hand and the Crooked Billet pubs.**
- c. **WPCC urgently undertake an independent cybersecurity review which results in a cybersecurity accreditation and also that WPCC address the internal issues of potential phishing attacks and password protection**
- d. **That it was important to review WPCC communications and to develop a WPCC Communications Strategy**
- e. **Recommended that efficiency improvement steps be included in the 21/22 Business Plan**

Amongst the issues highlighted to the Board this year were the following:

- a) that risks associated with the pavilion at REMPF were becoming more pressing and needed to be highlighted in the Risk Register as requiring urgent action
- b) fire security needed some enhancement
- c) ARC agreed the External Auditors' Audit Plan for 21/22 and also its fee which remains the same as last year
- d) The addition of the insurance status of each risk to be added to the Risk Register was still outstanding

#### 4 CONCLUSIONS

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 2021/22

#### AUDIT COMMITTEE ATTENDANCE 2021/22

#### Appendix 1

All held by videoconference

	18/05/2021	21/07/2021	02/11/2021	01/03/2022
	Joint with Finance and Investment Committee for Audit Items			
Meeting type	Videoconference	Videoconference	In person	In person
<b>AUDIT COMMITTEE MEMBERS</b>				
Mike Rappolt (Chair)	√	√	√	√

<b>Michael Johnston</b>	√	√	√	√
<b>Peter Hirsch</b>	√	√	√	√
<b>Sarah Wilton</b>		√		√
<b>WPCC Chief Executive: Stephen Bound</b>	√	√	√	√
<b>EXTERNAL AUDIT – Kreston Reeves</b>				
<b>Simon Webber</b>	√			√
<b>Kelly Prior</b>	√			√