

AUDIT AND RISK COMMITTEE ANNUAL REPORT 2020/2021

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 and December 2020. 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 2020 to the end of March 2021.

2. TERMS OF REFERENCE AND MEMBERSHIP

ARC is a sub 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 14th December 2020.

2.2 Frequency of Meetings

Under its terms of reference, ARC is required to meet not less than three times a year. During 2020/21 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 were:

- Michael Rappolt, Appointed Conservator (Chair) - Constitutional Working Group, Friends 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 June 2020 covering the Committee's business for 2020/21 and beyond and was noted by the Board on 13th July 2020 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.

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 2021.

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 WPCCC strategy and is noted and/or 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.

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 2020/21;
- 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:

3.4.1 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 2020
- 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 2021

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 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.
This year we asked for the insurance status of each risk to be added to the Risk Register
- 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) Pension Processes
- c) Progress with the IT strategy and security
- d) Cybersecurity
- e) Contingency and disaster planning
- f) Progress on the Access Framework

- g) Progress on the competitive tender for legal services
- h) HR Policies and processes
- i) Best recruitment practice
- j) Fraud and corruption controls
- k) Directors' and officers' insurance
- l) Compliance with Natural England requirements
- m) Tree hazard management
- n) Plans for a serious environmental incident
- o) Progress with the competitive tender for insurance broker services
- p) Safeguarding policies and procedures
- q) Protection of personal data
- r) Benchmarking plans
- s) Licensing arrangements for Personal Trainers and other Professional Service Organisations
- t) Leaseholder/Licensee compliance with legal obligations
- u) Governance of the Stakeholder Working Group
- v) Conservators' annual register of interest

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) ARC completed an assessment of WPCC's Governance using the Charity Governance Code (CGC) Template for Large Charities and produced an Action Plan for strengthening WPCC Governance. ARC also recommended that the review be noted in the WPCC Annual Report and that where WPCC 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 recommended that the Action Plan be taken up by the newly elected Board in April

3.5 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 that:

- I. WPCC re-tender its insurance brokerage service in 2021
- II. improvements be made to internal password security and
- III. that the risk register management, processes and policy be enhanced
- IV. WPCC urgently undertake an independent cybersecurity review which results in a cybersecurity accreditation
- V. the Board should undertake a comprehensive review of WPCC's communications strategy

- VI. Governance practices for the Stakeholder Group be reviewed and improved
- VII. WPCCC Safeguarding Policies be reviewed and updated
- VIII. Fraud and Corruption controls and policy be regularly updated, be enhanced in certain areas and communicated to all staff and Conservators. The ARC review found that the policy was not detailed and had not been reviewed since 2016
- IX. following a review that found that parts of the internet portal were no longer fit for purpose, a number of areas needed development
- X. the new Board in April consider the Charity Governance Code Action Plan and commence its implementation (see 3.4.4 above)

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

- a) while work was well underway to address the Coronavirus risk this risk needed to be added as the highest risk item to the Risk Register
- b) fire security, whilst good, needed some enhancement
- c) ARC agreed the External Auditors' Audit Plan for 20/21 and also its fee

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 WPCCC staff without which it could not have fulfilled its remit.

Mike Rappolt
Chair of the Audit and Risk Committee 2020/21

AUDIT COMMITTEE ATTENDANCE 2020/21

Appendix 1

All held by videoconference

	21/05/2020	29/06/2020	10/11/2020	24/02/2021
	Joint with Finance and Investment Committee for Audit Items			
AUDIT COMMITTEE MEMBERS				
Mike Rappolt (Chair)	√	√	√	√
Shirley Gillbe	√	√	√	
Peter Hirsch	√	√	√	√
Sarah Wilton	√	√	√ (part)	√

WPCC SENIOR LEADERSHIP TEAM				
Stephen Bound	√	√	√	√
EXTERNAL AUDIT – Kreston Reeves				
Simon Webber	√			√
Kelly Prior	√			√