

HAVANT BOROUGH COUNCIL

At a meeting of the Governance & Audit Committee held on 1 July 2015

Present

Councillor Smith K (Chairman)

Councillors Mackey, Hart, Perry, Pike and Rees

1 Apologies

Apologies for absence were received from Councillor Pierce Jones.

2 Minutes

RESOLVED that the minutes of the meeting of the Governance and Audit Committee held on 3 March 2015 be approved as a correct record.

3 Matters Arising

The Committee requested an update on the planned training session on the new codes and protocols recently adopted by the Council.

It was confirmed that the Chairman had written a letter to the Leader of East Hampshire District Council expressing support for his recent meeting with Lord Bew to discuss strengthening the standards regime.

4 Declarations of Interest

There were no declarations of interests from any of the members present.

5 Chairman's Report

There were no matters the Chairman wished to report to the Committee.

6 External Audit Papers

The Committee considered four papers presented by Ian Young of Ernst and Young LLP who joined the meeting for the debate on this item and answered members' questions in connection with the papers.

The Audit Progress Report provided the Committee with an overview of the stage reached in the 2014/15 audit and an outline of their plans for the remainder of the year.

The Audit Plan 2014/15 provided a basis for the Committee to review the proposed audit approach and scope for the year. The areas due to be focused on were noted along with an assessment of the financial statement risks and any follow-up issues identified during the interim audit.

The Audit Fee Letter 2015/16 confirmed the audit work and associated fee proposed for the 2015/16 financial year. It was confirmed that the fee had been reduced by 25% following a tendering of contracts in March 2014. The fee had been set by the Audit Commission and agreed with the Executive Head of Governance and Logistics.

The Local Government Sector Briefing report summarised some of the current issues facing the sector. The section on accounting, auditing and governance was highlighted as being particularly relevant to the Committee.

RESOLVED that the papers be noted.

7 Internal Audit Report and Opinion 2014-15

The Committee considered a paper presented by Antony Harvey of the Southern Internal Audit Partnership who joined the meeting for the debate on this item and answered members' questions.

The paper provided the Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance for the year ending 31 March 2015. The Committee noted the following key points:

- Internal audit was compliant with the Public Sector Internal Audit Standards during 2014/15;
- The revised internal audit plan for 2014/15 had been substantially delivered;
- The Council's framework of governance, risk management and management control was considered to be 'Adequate' and audit testing had demonstrated controls to be working in practice; and
- Where internal audit identified areas where management controls could be improved or where systems and laid down procedures were not fully followed, appropriate corrective actions and a timescale for improvement had been agreed with responsible managers.

RESOLVED that the Chief Internal Auditor's annual report and opinion for 2014/15 be approved.

8 Review of the Council's Statement of Arrangements for Managing Risks and Quarterly Update on Corporate Risks from the Executive Board

The Committee noted a report from the Executive Head for Governance and Logistics providing an update on the highest corporate risks reviewed by the Executive Board, alongside the Health Check, in May. The report also provided an update on progress made following the Committee's request at the last meeting for more detail on the Council's risk register.

RESOLVED that

Governance & Audit Committee (1.7.15)

- (1) The Council's arrangements for the management of risk for the year 2015/16 be noted; and
- (2) The most serious corporate risks reviewed by the Joint Executive Board on 26 May 2015 be noted.

9 Code of Conduct Complaints

The Committee considered an update on the current situation regarding code of conduct complaints.

RESOLVED that the update be noted.

The meeting commenced at 5.00 pm and concluded at 5.53 pm