

## HAVANT BOROUGH COUNCIL

At a meeting of the Governance & Audit Committee held on 17 June 2014

Present

Councillor Smith K (Chairman)

Councillors Mackey, Hart, Perry, Tarrant, Wilson and Shimbart

### **1 Apologies**

Apologies for absence were received from Councillor Mrs Smallcorn.

### **2 Minutes**

RESOLVED that the minutes of the meeting of the Governance and Audit Committee held on 5 March 2014 be approved as a correct record.

### **3 Matters Arising**

There were no matters arising from the minutes of the last meeting.

### **4 Declarations of Interest**

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

### **5 Chairman's Report**

The Chairman provided a welcome to the new members of the Committee.

### **6 External Audit Papers**

The Committee considered three papers presented by Ernst and Young LLP. Helen Thompson and Ian Young of Ernst and Young LLP were invited to join the meeting for the debate on this item and answered members' questions in connection with the report.

The Audit Progress Report provided the Committee with an overview of the stage reached in the 2013/14 audit and an outline of their plans for the remainder of the year.

The Audit Plan 2013/14 provided a basis for the Committee to review the proposed audit approach and scope for 2013/14. The areas due to be focused on were noted and it was confirmed that an update on the results of the work would be brought before the Committee in September 2014.

The Audit Fee Letter 2014/15 confirmed the audit work and associated fee proposed for the 2014/15 financial year. The fee had been set by the Audit Commission as part of the five year procurement exercise carried out in 2012.

RESOLVED that the report be noted.

## **7 End of Year Internal Audit Progress Report**

The Committee considered the Internal Audit Progress Report which provided an overview of internal audit activity against assurance work completed in accordance with the approved audit plan together with an overview of the status of live reports. Antony Harvey and Neil Pitman of the Southern Internal Audit Partnership were invited to join the meeting and answered members' questions in connection with the report.

A summary of work undertaken in 2013/14 was presented which detailed the progress made in implementing any reported recommendations. The Committee was pleased to note that all three key performance targets had been met and no significant issues arising from internal audit work had been identified.

RESOLVED that the report be noted.

## **8 Annual Internal Audit Report and Opinion 2013/14**

The Committee was provided 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 2014.

The Committee noted the following key points:

- Internal audit was compliant with the Public Sector Internal Audit Standards during 2013/14;
- The revised internal audit plan for 2013/14 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 worked in practice; and
- Where internal audit work 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 the responsible managers.

RESOLVED that the Chief Internal Auditor's annual report and opinion for 2013/14 be approved.

## **9 Effectiveness of Internal Audit 2013/14**

A report on the Effectiveness of Internal Audit was presented to the Committee which provided an overview of the measures currently in place to monitor and maintain internal audit effectiveness.

The Committee was pleased to note that using the self-assessment system the Council was compliant with 326 of the 341 standards. The majority of the

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remaining areas were classified as not applicable to the Council. The Head of the Southern Internal Audit Partnership agreed to consider a suggestion that the one area regarded as non compliant, 'Independence and Objectivity', be classified as not applicable in future.

It was confirmed that an external assessment must be conducted at least once every five years and a paper exploring the options, form, timing and scope of the assessment would be prepared for September 2014.

RESOLVED that

- 1) The report be noted; and
- 2) The action plan generated from the assessment against the Public Sector Internal Audit Standards be endorsed.

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

The Committee received a report from the Executive Head for Governance and Logistics detailing the Council's corporate governance and risk management arrangements for the year 2014/15.

An overview of the highest corporate risks reviewed by the Joint Executive Board on 13 May 2014 was provided and the details of these noted.

RESOLVED that

- 1) the Council's arrangements for the management of risk for the year 2014/15 be noted; and
- 2) the most serious corporate risks reviewed by the Joint Executive Board on 13 May 2014 be noted.

**11 Havant Borough Council Constitution**

There was no business to discuss under this item.

**12 Local Government Ombudsman**

There was no business to discuss under this item.

**13 Code of Conduct Complaints**

There was no business to discuss under this item.

**The meeting commenced at 5.00 pm and concluded at 6.28 pm**