

HARBOROUGH DISTRICT COUNCIL
MINUTES OF THE GOVERNANCE AND AUDIT COMMITTEE MEETING

Held in The Symington Building, Adam and Eve St, Market Harborough

held on 15 November 2017

commencing at 6.30 p.m.

Present:

Chair: Councillor Rook

Councillors: Champion, Chapman, Elliott, Johnson, Liquorish and Pain

Officers: S. Riley & G. Keeping

Internal Auditors (LGSS): R. Ashley-Caunt and T. Croote

External Auditors (KPMG LLP): S. Gill

APPOINTMENT OF VICE-CHAIRMAN

RESOLVED: that Councillor Champion be appointed Vice-Chairman of the Committee for the remainder of the 2017/18 year.

APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTIONS

There were none.

MINUTES

RESOLVED: that the Minutes of the Meeting of the Governance and Audit Committee held on 20 September 2017 be taken as read and signed by the Chairman as a true record.

DECLARATIONS OF MEMBERS' INTERESTS

There were none.

EXTERNAL AUDIT – AUDIT LETTER 2016/17

S. Gill from KPMG LLP presented the Committee with the Annual Audit Letter for the 2016/17 year.

The Committee noted that:

- (i) KPMG LLP issued the Council with an unqualified conclusion on the Authority's arrangements to secure Value for Money for the 2016/17 year.
- (ii) KPMG LLP issued an unqualified opinion on the Council's financial statements for the 2016/17 year.
- (iii) The fee for the external audit for the 2016/17 year was £41,912, which was in line with the planned fee reported to the Committee in March 2017.

- (iv) KPMG LLP would provide the Committee with details of the number of hours' work undertaken on the Council's behalf during 2016/17.

RESOLVED: that the Annual Audit Letter from KPMG LLP be noted.

INTERNAL AUDIT – PROGRESS AND PERFORMANCE UPDATE

T. Croote from LGSS presented the Committee with current progress against the 2017/18 Audit Plan up to the 25th October 2017.

The Committee noted that:

- (i) Approximately 64% of the Plan had been delivered was either in progress or complete. to at least draft report stage and work is underway on a further five assignments.
- (ii) There were 22 overdue recommendations, of which 17 (77%) were overdue by more than three months. Of these, 10 were classified as high or medium risk.
- (iii) One internal audit report had been finalised since the last Committee meeting; this was in relation to Health & Safety. The report put forward 16 recommendations, which were set out in the Action plan included in the report. Some of the recommendations had already been acted upon and the others would be followed up over the next few months. It was anticipated that all recommendations would be completed by the implementation date set out in the action plan.
- iv) Officers would feed back to the Committee on where the Council's current Employers Liability Insurance Certificate was displayed.

RESOLVED: that the performance of internal audit, the key findings of completed audits and the status of outstanding recommendations be noted.

INTERNAL AUDIT – DEVELOPMENT OF INTERNAL AUDIT PLAN 2018/19

R. Ashley-Caunt from LGSS provided the Committee with an overview of the Audit Planning process for 2018/19.

In order to ensure that the Audit Plan for 2018/19 addresses the Council's key risks and adds value to the organisation, it is proposed that the Head of Internal Audit will identify and prioritise the areas for coverage by:

- Reviewing the Council's Risk Registers and Corporate Plan;
- Analysing coverage of Internal Audit reviews over the last four years and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
- Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years;
- Assessment of any risk areas highlighted by members of the Governance & Audit Committee where they require assurances from Internal Audit during 2018/19; and
- Meeting with members of Management Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.

All potential audit coverage identified will be risk assessed and prioritised for inclusion in the Audit Plan, in consultation with Corporate Management Team, based on risk, other sources of assurance available and potential value added from a review.

The Committee noted that a draft Internal Audit Plan would be presented to it in March 2018 for review and formal approval.

Members were asked to consider areas where they required assurance from the Audit Plan in 2018/19 and to pass these to the Head of Internal Audit by early February 2018.

RESOLVED that: the process proposed for the development of the Internal Audit Plan for 2018/19 be noted and approved.

MATTERS OF SPECIAL URGENCY

There were none.

The meeting closed at 7.06 p.m.