

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE AUDIT AND STANDARDS COMMITTEE MEETING

Held in The Council Chamber, The Symington Building, Adam and Eve St, Market
Harborough on Tuesday 18 July, commencing at 6.30pm

Present:

Councillors: Gair (Chairman), Bateman, Johnson, Mrs Page, Nunn, Asher

Officers: K. Parsons, C. Mason, C. Pattinson, C Bland

Also present:

Internal Auditor (North Northamptonshire Council): R. Ashley-Caunt

External Auditor (Mazars LLP): M. Surridge

INTRODUCTION

The Chairman welcomed everyone to the meeting and introduced the officers present.

1. APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

Apologies were received from Councillors Finan and Forman (Asher substitute).

2. DECLARATIONS OF MEMBERS' INTERESTS

There were none.

3. INVESTITURE OF CHAIRMAN AND DECLARATION OF ACCEPTANCE OF OFFICE

Councillor Gair was declared Chairman (proposed by Cllr Bateman and seconded by Cllr Mrs Page) and Councillor Nunn was declared as Vice Chairman (proposed by Cllr Bateman and seconded by Cllr Mrs Page).

4. MINUTES OF THE PREVIOUS MEETING

RESOLVED: that the Minutes of the Meeting of the Audit and Standards Committee held on 15 March 2023 be approved and signed by the Chairman as a true record.

5. DECLARATIONS OF MEMBERS' INTERESTS

Councillor Mrs Page declared an interest as she was a Leicester County Councillor and the Chairman of the Leicester County Pension Board.

6. REPORT 1 - INTERNAL AUDIT ANNUAL REPORT 22/23

The Chief Internal Auditor presented the report, the purpose of which was to consider the Annual Internal Auditors Audit Report and Opinion for 2022/23 (ARO).

The report contained an opinion on the overall adequacy and effectiveness of the Council's governance, risk, and control framework that informed its Annual Governance Statement. The report provided a copy of the Annual Report which contained the annual opinion and the basis for this. For 2022/23, the Chief Internal Auditor has provided a "Satisfactory Assurance" opinion.

Action Point: Members requested that the reports be numbered for ease of use.

It was to be noted that Sundry debt was delayed slightly as it had been impacted by Covid. However, this was only temporary issue.

RESOLVED: that the Committee received the Internal Audit Annual Report & Opinion 2022/23 and comment as they consider necessary

7. REPORT 2: INTERNAL AUDIT PROGRESS AND PERFORMANCE UPDATE 23/24

Presented by the Chief Internal Auditor, the purpose of the report was to update Members on progress against the 2023/24 internal audit plan, key findings of audits completed and the status of outstanding recommendations. The performance was set out in respect of the following:

- The audit plan - It was to be noted that the assignments for the first quarter of the financial year were progressing well.
- Any recommended amendments to the audit plan - One such amendment was noted in this report
- Outcomes of finalised audit assignments - which would be reported to the Committee as the reports and action plans were agreed by officers.

In addition to performance, Internal Audit also reported on outstanding recommendations/actions. There were currently 10 actions that had not been implemented by the agreed implementation deadline. One of which was over 3 months over its implementation date and of "medium priority".

RESOLVED: to receive the Internal Audit – 2023/24 Progress Report (Appendix A) and Overdue Recommendations (Appendix B) and comment as it considered necessary.

8. REPORT 3: EXTERNAL AUDIT ANNUAL REPORT 21/22

The External Auditor presented the report that explained that prior to Members considering the 2021/22 Annual Financial Report and Annual Governance Statement later in the agenda, it was an opportunity for the Committee to consider the external auditors Annual Report for 2021/22 (Appendix 1). It was to be noted that at the time of drafting this report, the auditors annual report was “draft” because of an outstanding national issue in respect pensions that was currently impacting on the issuing of an opinion on the Council’s Annual Financial Report.

The External Auditor was required to publish on an annual basis its Auditor’s Annual Report. The report highlighted their conclusions in respect of the following:

- Their opinion on the 2021/22 Annual Financial Report. They were expecting to issue an unqualified opinion.
- The Council’s Value for Money arrangements for 2021/22. They were satisfied that it was not a significant weakness in the Council’s arrangements.

RESOLVED: to receive the External Audit 2022/23 Annual Report and comment as considered necessary.

9. REPORT 4: APPROVAL OF THE ANNUAL GOVERNANCE STATEMENT AND ANNUAL FINANCIAL REPORT 21/22

Presented by the External Auditor the Committee received a report that considered the 2021/22 Annual Governance Statement (AGS) and Annual Financial Report (AFR) by the statutory deadline of 31 July 2022.

The external auditors conducted their audit over the following months and issued their Annual Completion Report (ACR). It was to be noted that the delay in finalisation of the audit had primarily been due to a number of technical matters (infrastructure and pensions accounting). Currently the pensions issue remained unresolved, and this was a sector wide issue and not limited to the Council. This meant that at the date of reporting to the Committee, the auditors could not conclude the audit, but they were anticipating issuing an unqualified opinion, without modification, on the financial statements in due course.

In these situations, which were not uncommon in local government, the Committee were asked to agree a delegation to the Chairman of Audit & Standards Committee

and the Interim Chief Executive (& s.151 Officer) to sign the accounts when the auditor has confirmed that all matters were completed. All Members of the Committee would be informed when the auditor issues their unqualified opinion prior to signing by the respective Chair and s.151 Officer.

RESOLVED the following:

- To receive the Audit Completion Report from the external auditor, and comment as they considered necessary (Appendix 1).
- To receive the 2021/22 Annual Governance Statement, duly signed by the Leader of the Council (as at the 31 March 2022) and Interim Chief Executive (Appendix 2).
- To note the Draft Letter of Representation (Appendix 3) as authorised by the Interim Deputy Chief Executive (& s.151 Officer).
- To approve the 2021/22 Annual Financial Report (AFR, Appendix 4) and to give delegated powers to the Chairman of the Audit and Standards Committee and Interim Deputy Chief Executive (& s.151 Officer) to authorise and sign the AFR on behalf of the Council subject to the auditors confirming an unqualified opinion on the AFR.

10. ANY URGENT BUSINESS

There was none.

The Meeting closed at 19:30