

Minutes of the Audit & Standards Committee

Location: The Council Chamber The Symington Building,
Adam and Eve Street, LE16 7AG



Date: 31st July 2024 commencing at 6.30pm

Present:

Councillors: Bateman, Burrell, Forman, Gair (Chair), James, King and Mrs Page.

Officers: R. Ashley-Caunt – Chief Internal Auditor, North Northamptonshire Council
S. Barnard-Audit Manager, Public Sector Audit, Grant Thornton UK LLP
C. Mason – Director of Resources & S.151 Officer
S. Hamilton – Senior Democratic Officer & Monitoring Officer

1. Election of Chair for 2024/25

The Senior Democratic Officer opened the meeting and called for nominations for the Chair of the Audit and Standards Committee for the municipal year 2024 – 2025. Councillor Burrell nominated Councillor Gair, and this was seconded by Councillor James. There being no other nominations Councillor Gair was duly elected.

Councillor Gair took the Chair.

2. Election of Vice-Chair for 2024/25

The Chairman called for nominations for the Vice - Chair of the Audit and Standards Committee for the municipal year 2024 – 2025. Councillor Burrell proposed Councillor Forman, and this was seconded by Councillor James. Councillor Bateman proposed Councillor Nunn, and this was seconded by Councillor King. The proposals were taken to the vote and there were three votes for Councillor Forman and three votes for Councillor Nunn. The Chair used his casting vote to vote for Councillor Forman who was duly elected as Vice-Chair of the Audit and Standards Committee for the municipal year 2024 - 2025

3. Apologies for Absence

Apologies for absence were offered from Councillor Johnson who was substituted by Councillor Burrell and Councillor Nunn who was substituted by Councillor King.

4. Declarations of Members' Interests

There were none.

5. Draft Audit & Standards Minutes – 24.04.24

RESOLVED that the minutes from the Audit and Standards Committee meeting on 24th April 2024 were approved as an accurate record.

6. External Audit – Harborough District Council Audit Plan for year ending 31 March 2024

The Chair informed the Committee that the 2022/23 accounts have been signed off.

The Director of Resources & S.151 Officer introduced the item by confirming that Grant Thornton Solicitors will be carrying out the yearly audit for HDC, and The Audit Plan being presented is their process to provide a qualified audit opinion on the accounts held by HDC, the Annual Governance Statement and other matters in this vein. He introduced Siobhan Barnard, Audit Manager, Grant Thornton UK LLP to introduce the Audit Plan.

The Audit Manager, Grant Thornton highlighted the main points of the Audit Plan for the Committee:

- Page 17/96 (of the agenda pack)- reference has been made to the backstop which will be nationally implemented. This will not be relevant to HDC as there is already a fully signed opinion in place for 2022/23 from the previous auditors, however as the point of drafting the report being presented, this was not in place.
- **Pages 22,23,24,25/96- Identified Significant Risks-** The Audit Manager, Grant Thornton summarised the risks identified and proposed responses.
- **Page 28,29/96 - Materiality Levels-** The Audit Manager, Grant Thornton summarised these levels and the proposed approach to these.

- **Page 30/96- Value for Money Arrangement-** The Audit Manager, Grant Thornton summarised and explained the arrangement. Planning is still taking place around this, there are currently no items that need to be brought to the Committee's attention however a further update will be made in due course once the planning has concluded now that the final sign-off has been received from the previous audits.
- **Pages 32,33/96- Audit Fees-** The Audit Manager, Grant Thornton summarised the information around Audit Fees.

The Committee were given the opportunity to ask the Audit Manager, Grant Thornton, and the Director of Resources & S.151 Officer for clarification on the Audit Plan and the information presented.

During the discussion, Councillor King declared an interest relating to the pension scheme in that he is a member of Leicestershire County Council's Pensions Committee. Councillor Mrs Page also declared an interest in that she is the Chair of Leicestershire County Council's Pensions Board.

Following the discussion it was,

RESOLVED that the committee considered and commented on the Harborough District Council Audit Plan for the year ending 31 March 2024, as submitted by Grant Thornton UK LLP (Appendix A).

7. Internal Audit - Progress and Performance Update

The Director of Resources & S.151 Officer introduced the report and highlighted the three main areas of the update that will be addressed by the Chief Internal Auditor:

- The Audit Plan
- Recommended amendments to the Audit Plan
- Outcomes of finalised audit assignments and comments on the outstanding audit actions

The Chief Internal Auditor summarised the report and the appendices, starting from Appendix A on page 47 of the agenda pack.

The Committee had an opportunity to ask the Chief Internal Auditor and the Director of Resources & S.151 Officer for clarification on various points of information referenced in the report. The Chairman asked the Director of Resources & S.151 Officer that urgency must be put into reducing the number of outstanding audit actions.

The Committee queried whether HDC were making full use of the audit and queried whether the reports produced were being put to good use. The Director

of Resources & S.151 Officer confirmed that the auditing service provided was exemplary and worth the cost that the Council spends on attaining it.

Following the discussion it was,

RESOLVED that the Committee considered and noted the Internal Audit Progress Report (Appendix A) and Overdue Recommendations (Appendix B) and commented as necessary.

8. Internal Audit Annual Report and Opinion 2023-24

The Director of Resources & S.151 Officer introduced the item. He explained that this is a crucial element and gives a reflection for those in charge of governance of the performance of the internal audit but also the reflections on the opinion which feeds into the Annual Governance Statement. This then goes as a part of the overall of paperwork which also supports the Annual Statement of Accounts.

The Chief Internal Auditor explained that she would highlight the key sections of the report. She referred to the item on page 77 of the agenda pack. She explained that she is required to provide an opinion based on the Governance Risk and Control Framework 2023/24 and that this report considers that opinion and summarises the reasons for the opinion given. She explained that the opinion given is that of 'Moderate Assurance' with the definition of this provided in 4.1 of the report. The opinion can be broken down into the following key areas:

- Financial Controls
- Harborough District Councils Risk Management Arrangements
- The Overall Internal Control Environment based on the audits performed and the implementation of actions arising from those.

The Chief Auditor went on to explain the basis for the opinion and referenced the Table 1 included in the report on page 79 which gives an overview of the overall assurance ratings. She highlighted that HDC are comfortably in the 'moderate to good' category and explained the detail around this and how this compared to previous years. She went on to summarise the rest of the report and the information contained in the other tables.

The Committee had the opportunity to comment or seek clarification on various points referenced to in the report.

Following the discussion it was,

RESOLVED that the committee considered the Annual Internal Audit Report for 2023/24 (Appendix A) and commented as necessary.

9. Global Internal Audit Standards

The Chief Internal Auditor introduced the item and explained that this was an early briefing to inform the Committee on expected standard changes that will impact on the role of internal audit and how it operates. She went on to explain that a new set of Global Internal Audit Standards are expected in 2025 which will be adopted along with professional advice on how this can be incorporated in a Local Government setting as there will not be an updated version of the Public Sector Internal Audit Standards specifically. Whilst there is no current guidance out from CIPFA in this regard yet, they are expected to produce guidance for consultation in September 2024.

The Chief Internal Auditor commented that there were no expansive changes in the standards but that some of the guidance is a little more prescriptive, and that CIPFA had advised that they would not be expecting the guidance to be applied until April 2025. She went on to further explain the highlights in this report and the expectations of how the Audit & Standards Committee operate under the new set of standards.

The Chief Internal Auditor proposed that a further briefing be given when there is further guidance to explain the new standards in more detail, possibly in an interactive setting outside of a committee meeting format.

The Committee asked for clarification on points in relation to the new standards provided. Following the discussion it was,

RESOLVED that the Audit and Standards Committee noted the update on the Global Internal Audit Standards.

10. Any Urgent Business

There was no urgent business.

The meeting ended at 19:59pm.