

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE

Held in

The Council Chamber, The Symington Building, Adam and Eve Street, Market Harborough

20<sup>th</sup> November 2014

Commencing at 6.30p.m.

Present:

Councillor Bannister, Chairman.

Councillors: Beaty, Bowles, Elliott, Evans, Dr. S. Hill and Holyoak.

T. Croote (Welland Internal Audit Consortium), J. Idle (Welland Internal Audit Consortium),

S. Gill (KPMG LLP) and R. Walton (KPMG LLP).

Officers: E. O'Neill and S. Riley.

244 DECLARATIONS OF MEMBERS' INTERESTS

None received.

245 INTERNAL AUDIT PROGRESS AND PERFORMANCE

The Committee was provided with an update on the progress and performance of the 2014/15 Internal Audit Plan.

The Committee NOTED that:

- (i) at the time of the Meeting, 47% of the Internal Audit Plan had been delivered to at least draft stage.
- (ii) it was hoped that 90% of the Internal Audit Plan would be delivered by the end of March 2015.
- (iii) a recent audit of the Harborough Innovation Centre (HIC) resulted in a 'Substantial Assurance' opinion. The audit was concerned with seeking assurance that the project had met its original objectives, that an appropriate governance framework was in place for the ongoing management of the HIC and delivery of outcomes, and that there was no significant risk of grant 'claw-back'.
- (iv) a recent audit titled 'Measuring Benefits Realisation' resulted in a 'Sufficient Assurance' opinion. The audit was concerned with the Council's development of a consistent control framework and methodology to measure benefits gained from continuous improvement. It was suggested that the matter of Benefits Realisation could be incorporated into a wider Value for Money Strategy.
- (v) a recent audit titled 'Welfare Reform' resulted in a 'Substantial Assurance' opinion. The audit was concerned with the need to accurately model, and effectively monitor, the impact of Welfare Reform and communicate this to those affected.

The Committee RESOLVED:

- (i) to note the progress and performance of the 2014/15 Internal Audit Plan.
- (ii) to reduce the number of Contingency Audit Days by 15 days.

- (iii) to add to its next agenda a report titled 'Draft Value For Money Strategy'.

#### 246 INTERNAL AUDIT PLANNING PROCESS 2015/16

J Idle, Head of Internal Audit, outlined the intended process for the preparation of the 2015/16 Internal Audit Plan.

The Committee NOTED that:

- (i) LGSS Internal Audit commenced management of the Welland Internal Audit Consortium in August 2014.
- (ii) for 2015-16, a new approach to audit planning was proposed by LGSS Internal Audit. The compilation of an "audit universe" (a gross list of potential areas for Internal Audit review) would highlight a list of potential audit review areas. The intention of this approach was to refresh and redesign audit coverage which could support the Governance and Audit Committee in discharging its governance responsibilities. This process would provide the basis for both the development of assurance mapping for the Council and also as a basis for a three-year Strategic Audit planning process.

The Committee RESOLVED to note the Internal Audit Planning Process for 2015/16.

#### 247 KPMG LLP ANNUAL AUDIT LETTER 2013/14

R. Walton of KPMG LLP presented the committee with the Annual Audit Letter for the 2013/14 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 2013/14 year.
- (ii) KPMG LLP issued an unqualified opinion on the Council's financial statements for the 2013/14 year.
- (iii) The fee for the external audit of the 2013/14 year was £55, 882.

The Committee RESOLVED to note the Annual Audit Letter from KPMG LLP.

#### 248 MATTERS OF SPECIAL URGENCY

None reported.

The Meeting ended at 7.04p.m.