

HAMBLETON DISTRICT COUNCIL

Report To: Audit, Governance and Standards Committee
31 October 2012

From: Director of Resources

**Subject: ANNUAL REPORT TO CABINET ON AUDIT, GOVERNANCE AND STANDARDS
COMMITTEE ACTIVITIES 2011/12**

All Wards

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to consider a draft report which analyses the work undertaken by the Audit & Governance Committees for the year to March 2012. Under the Committee's terms of reference it is proposed that the report will be presented to Cabinet in November 2012. The draft report is attached at Annex A.

2.0 DECISIONS SOUGHT:

2.1 The Audit & Governance Committee is asked to agree the content of the report and that it should be submitted to Cabinet.

3.0 RISK ANALYSIS:

3.1 There are no major risks associated with recommendations in this report. However the Committee is obliged by its terms of reference to report annually to Cabinet on the Committee's activities.

4.0 RECOMMENDATIONS:

4.1 It is recommended that: -

- 1) the Committee agree the content of the report, and
- 2) the report is submitted to Cabinet.

JUSTIN IVES

Background papers: None

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HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
27 November 2012

From: Audit, Governance and Standards Committee

Subject: **AUDIT, GOVERNANCE AND STANDARDS COMMITTEE ACTIVITIES 2011/12 – ANNUAL REPORT**

All Wards

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to present a report which analyses the work undertaken by the Audit & Governance Committees up to 31 March 2012. An analysis of the work undertaken is attached at Appendix A.

2.0 DECISIONS SOUGHT:

2.1 Cabinet is asked to endorse the work undertaken by the Audit & Governance Committee.

3.0 RISK ANALYSIS

3.1 There are no major risks associated with recommendations in this report. However the Audit & Governance Committee is obliged by its terms of reference to report annually to Cabinet on the Committee's activities.

4.0 RECOMMENDATION:

4.1 It is recommended that Cabinet endorse the report of the Audit & Governance Committee.

COUNCILLOR J N SMITH
CHAIRMAN, AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Background papers: None

Author ref: JI

Contact: Justin Ives
Director of Resources

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

WORK UNDERTAKEN DURING 2011/12

1. External Audit – Deloitte

Deloitte, as the Council's external auditor, presented reports that covered:-

- Annual Audit & Inspection Plan – this sets out the proposed plan for audit and inspection work;
- Annual Audit & Inspection Letter – this summarises the conclusions and significant issues arising from Deloitte's audit and inspection work;
- Annual Governance Report – this presents the findings, conclusions and recommendations from the annual audit. It also covers the audit of accounts and work undertaken on the arrangements to secure economy, efficiency and effectiveness in the use of resources.

It is pleasing to note that these reports did not identify any significant problems and were received and accepted by the Committee.

2. Internal Audit – North Yorkshire Audit Partnership

The Committee received reports that:-

- Presented the draft 3 Year Strategic Internal Audit Plan – the plan was developed from a comprehensive risk analysis model. The plan also indicates the number of days allocated to each area of work. The Committee approved the plans;
- Gave a comparison of the sections' actual performance against target during the year and for the full year. The Committee agreed that the performance was satisfactory;
- Provided a review of the Effectiveness of the System of Internal Audit. The Committee accepted the independent review that the System of Internal Audit was considered effective;
- Reports regarding the future provision of Internal Audit were presented. For 2012/13 internal audit will be carried out by Veritau North Yorkshire.
- A review of the Audit Vision and Charter was carried out and accepted by the committee.

3. Accounts & Governance – Hambleton DC staff

These reports cover the presentation of both: -

- The Statement of Accounts 2010/11– these present the statutory financial accounts in the form prescribed by the Code of Practice on Local Authority Accounting in the UK – A Statement of Recommended Practice. The Committee scrutinised the detail of the accounts and after a robust challenge approved them;
- The Annual Governance Statement (AGS) for 2010/11 – this a statement required by statute which follows the guidelines issued by the Chartered Institute of Public Finance. It describes the internal control environment and the steps the Council has taken to ensure: -
 - its business is undertaken in accordance with the law;
 - it maintains proper safeguards that provide good governance;
 - public money is safeguarded, and;
 - its resources are used economically, efficiently and effectively.

The Committee agreed with the conclusion of the review and approved the content of the AGS.

- The Treasury Management Strategy and Practices were reviewed and accepted by the Committee

4. Risk Management – North Yorkshire Audit Partnership

The Committee received a report on a process change in so far as the operational side of risk management would be dealt with through the performance clinics and therefore overseen by the Scrutiny Committees and the Risk Management Group would be disbanded. The Committee would still maintain responsibility for overseeing the strategic development of risk management.

5. Constitution and other work

The Committee received reports covering:-

- Amendments to the Councils Constitution – Scrutiny Committees and reviews of Procedure Rules and Articles.
- Activity under the Regulation of Investigatory Powers Act was reported and accepted.
- Annual Report on Counter Fraud and Corruption 2010/11 was reported and accepted.