

HAMBLETON DISTRICT COUNCIL

Report To: Audit, Governance and Standards Committee
14 June 2016

From: Head of Service – Finance (s151 Officer)

Subject: **ANNUAL REPORT TO CABINET ON AUDIT, GOVERNANCE AND STANDARDS
COMMITTEE ACTIVITIES 2015/16**

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 and Standards Committee for the year to 31 March 2016. Under the Committee's Terms of Reference, it is proposed that the report will be presented at Cabinet in July 2016. The draft report is attached as Annex 'A'.

2.0 RISK ASSESSMENT:

2.1 There are no risks associated with the recommendations of this report.

3.0 RECOMMENDATION:

3.1 It is recommended that:-

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

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Background papers: Audit, Governance and Standards Committee reports for 2015/16

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AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

WORK UNDERTAKEN DURING 2015/16

1. External Audit – Deloitte LLP

Deloitte, as the Council's external auditor from April 2015 to November 2015, presented reports that covered:-

- Annual Audit and Inspection Plan – this sets out the proposed plan for audit and inspection work;
- Statutory Auditor's report on the 2014/15 Audit and Inspection Letter – this summarises the conclusions and significant issues arising from Deloitte's audit and inspection work of the Council's Financial Report, including the Statement of Accounts 2014/15 and Annual Governance Statement; the Annual 2014/15 Accounts were approved;
- Annual Audit Letter 2014/15 - an unqualified opinion on the Council's financial statements for the year ended 31 March 2015 was given and an unmodified conclusion on the Council's arrangements for securing value for money for the year ended 31 March 2015.
- Quarterly reports on their activities with the Council.
- Statutory auditor's Certification of Claims and Returns 2014/15 Annual Report was noted

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

2. External Audit – Ernst & Young LLP

Ernst & Young, as the Council's external auditor from November 2015 to March 2016, presented reports that covered:-

- Audit Planning Report – this sets out the proposed plan for audit and inspection work;

3. Internal Audit – Veritau North Yorkshire Ltd

- Presented the 2014/15 Internal Audit Annual Report, where a substantial assurance opinion of the organisation was given. The Report was accepted;
- Presented the 2014/15 Annual Governance Statement which provided public assurance that the Council has a sound system of internal control, designed to help manage and control risks that impede the achievement of its objectives. This was approved;
- Gave a comparison of the Section's actual performance against target throughout the year in the quarterly internal audit reviews. The Committee was satisfied with the performance;
- The annual review of the Audit Vision and Charter.
- Presented the Internal Audit Plan 2015/16, which was accepted by the Committee on delivery of a further Process Planning Report at the beginning of 2016/17

3. Accounts and Governance – Hambleton District Council officers

These reports cover the presentation of both: -

- The Statement of Accounts 2014/15 – 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 2014/15 – 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 – Veritau North Yorkshire Limited

The Committee received a report on the Annual Review of Risk Management Strategy; this included a review of the Risk Management Process, Policy Statement and an updated Guidance Manual. The report and guidance were accepted.

5. Constitution and other work

The Committee received reports covering:-

- Amendments to the Councils Constitution –reviews of Procedure Rules and Articles.
- Annual review of the Audit, Governance and Standards Committee’s terms of reference was noted in accordance with CIPFA Audit Committees – Practical Guidance for Local Authorities.
- Activity under the Regulation of Investigatory Powers Act was reported as nil and accepted.
- Annual Report on Counter Fraud and Corruption 2014/15 was reported and accepted.

6. Standards

The Committee has responsibility for the Standards regime. The Standards Hearings Panel has considered three complaints under the Council’s Complaints Procedure; all complaints where in relation to Parish Councillors.