

**HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
13 September 2011

**Subject: AUDIT & GOVERNANCE COMMITTEE ACTIVITIES 2010/11 – ANNUAL REPORT**

**All Wards  
Audit & Governance Committee  
Cabinet Member for Corporate Management: Councillor R Kirk**

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**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 Committee up to 31 March 2011. An analysis of the work undertaken is attached at Annex A and has been approved by the Audit & Governance Committee at its meeting on 29 June 2011.

**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 recommendation in this report. However the Audit & Governance Committee is required by its terms of reference to report annually to Cabinet on its activities, and it is also seen as good practice.

**4.0 RECOMMENDATION:**

4.1 It is recommended that Cabinet endorse the report of the Audit & Governance Committee as shown at Annex A.

CHAIRMAN  
AUDIT & GOVERNANCE COMMITTEE

**Background papers:** None  
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**AUDIT & GOVERNANCE COMMITTEE**  
**WORK UNDERTAKEN DURING 2010/11**

**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 4 Year Strategic Plans and the Annual Plans for Internal Audit – these plans were developed from a comprehensive risk analysis model. The plans also indicate the number of days allocated to each area of work. The Committee approved the plans;
- Gave a comparison of the actual performance against target during the year and full year. The Committee agreed that the performance was satisfactory;
- Provided a review of the System of Internal Audit. The Committee accepted the independent review that the System of Internal Audit was considered effective.

**3. Accounts & Governance – Hambleton DC staff**

These reports cover the presentation of both: -

- The Statement of Accounts 2009/10 – 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 2009/10 – 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.

**4. Risk Management – North Yorkshire Audit Partnership**

The Committee received reports that covered: -

- The 4 quarterly monitoring reports. These reinforced the role that risk management plays within the Council and describes who monitors and reports on risks, and to whom risks

were reported. Members received information relating to the changes to the risk registers i.e. new risks, the deletion of redundant risks and also changes to risk scores. The work of the Risk Management Group was also reported. This was noted by the Committee.

## **5. Constitution and other work**

Work in this area was wide ranging and included reviewing the: -

- Councils Constitution – This is a lengthy document that was based on the model recommended by the Government. In short it sets out how the Council is made up and how it will conduct its business. A sample of what it covers would be: -
  - The role and workings of Overview & Scrutiny Committees;
  - How Cabinet operates;
  - What the Standards Committee is for;
  - Council Procedure Rules;
  - Codes of Conduct etc.

The work also covered both the initial adoption of its own Terms of Reference and a review of same. The Terms of Reference sets out the areas of responsibility of the Committee. These cover all aspects of Internal Audit, External Audit, Counter Fraud and Anti-Corruption work, Risk Management and approving both the Annual Statement of Accounts and the Annual Governance Statement.

The Committee considered the proposed changes and recommended the changes.

The Committee also agreed that the Council's Constitution should be reviewed on an ongoing, rolling programme basis. Work on this will commence in the current year