GOVERNANCE AND AUDIT COMMITTEE

Date: 25 July 2018
Venue: East Northamptonshire House, Cedar Drive, Thrapston
Time: 7.30pm

Present: Councillors: Peter Wathen (Chairman)
Alex Smith (Vice-Chairman)
Rosalie Beattie
Sylvia Hobbs

External attendees:
Rachel Ashley-Caunt (Head of Internal Audit)
Asim Iqbal and Tony Crawley (KPMG, the Council’s External Auditors).

127. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Annabel de Capell-Brooke, Marika Hillson, Dorothy Maxwell and Robin Underwood.

128. MINUTES

The minutes of the meeting held on 20 June 2018 were approved and signed by the Chairman.

129. DECLARATIONS OF INTEREST

No declarations of interest were made.

130. QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3

No questions were submitted under Procedure Rule 10.3.

131. VARIATION OF AGENDA

With the consent of the Committee, the Chairman varied the order of the published Agenda.

132. INTERNAL AUDIT – PROGRESS AND PERFORMANCE

The Head of Internal Audit presented a report on progress made on the delivery of the Annual Internal Audit Plan for 2018/19 and associated measures of performance.

Reports had been issued for four assignments, of which one had been finalised and the others remained with management awaiting responses and agreement of action plans and fieldwork was underway or in the planning stages for a number of further assignments.
No areas of significant risk or control weaknesses had been identified in the work completed to date.

**RESOLVED:** That

the progress and performance of the Internal Audit service and the key findings from audits delivered during the period be noted.

*(Reason: To review the performance of Internal Audit against the agreed plan and any key findings regarding the council’s risk management and control arrangements in accordance with the Public Sector Internal Audit Standards)*

133. **PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS**

The Interim Finance Manager presented a report setting out progress made on implementing recommendations arising from Internal Audit reports and the Head of Planning Services provided the Committee with an update on a number of audit recommendations relating to Planning Services.

There was currently one medium priority recommendation outstanding from 2016/17 and, under the revised categories of prioritisation, there were eight important, five standard and one medium priority recommendations outstanding for 2017/18 audits. For 2018/19 there was one important and one standard priority recommendations outstanding.

Officers responsible for implementing outstanding recommendations had met with the Chief Finance Officer, Head of Internal Audit and the Interim Finance Manager to agree actions required to implement outstanding recommendations and to set realistic target dates for completion.

It was noted that since the last meeting of the Committee in June 2018 there had been eleven recommendations either completed and closed or closed by management and good progress was being made on completing more shortly.

**RESOLVED:** That

the progress against each of the audit recommendations be noted.

*(Reason: To review progress on the implementation of recommendations following by Internal Audit)*

134. **FINAL STATEMENT OF ACCOUNTS 2017/18**

Following the Committee’s endorsement of the Draft Statement of Accounts at its last meeting for submission to the Council’s External Auditors, the Chief Finance Officer presented the audited accounts which were required to be published by 31 July 2018 by the Audit and Account Regulations 2015.

The Committee was requested to consider the findings arising from the audit of the accounts prior to considering the approval of the Statement of Accounts.
135. **ANNUAL GOVERNANCE REPORT OF THE EXTERNAL AUDITOR 2017/18**

The Council’s External Auditors presented their findings arising from the audit of the Statement of Accounts as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice.

It was noted that there were no material adjustments, misstatements or errors arising from the audit of the financial statements, although the audit had identified a difference in the presentation of figures stated for the revaluation of fixed assets in the financial statements. The audit had also identified the need for minor adjustments relating to presentational differences, which had since been made.

The Auditors had concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**RESOLVED:** That:

i) the contents of the Annual Governance Report of KPMG be noted.

ii) the Council’s Letter of Representation be approved.

*(Reason: To comply with the requirements of the Accounts and Audit Regulations)*

136. **FINAL STATEMENT OF ACCOUNTS 2017/18**

Having received the External Auditors’ findings, the Committee considered the Statement of Accounts for 2017/18 and it was

**RESOLVED:** That

i) the Statement of Accounts for the year ended 31 March 2018 be approved.

ii) the Chief Finance Officer, in consultation with the Chairman of the Governance and Audit Committee, be authorised to make any minor amendments necessary to the Statement of Accounts 2017/18 prior to publication.

*(Reason: To comply with the requirements of the Accounts and Audit Regulations)*

The Chief Finance Officer and the Chairman of the Committee then signed the Council’s Letter of Representation and the Statement of Accounts.

Chairman