

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE
WAS HELD ON 26 MARCH 2015**

Councillors Allen (P), Bateman (P), Carter (P), Chegwyn (P), Dickson, Forder (P), Scard (P) and Wright

It was reported that in accordance with Standing Order 2.3.6, Councillor Mrs Batty had been nominated to replace Councillor Wright for this meeting.

25. APOLOGIES

Apologies for inability to attend the meeting were submitted on behalf of Councillors Dickson and Wright.

26. DECLARATIONS OF INTEREST

There were no declarations of interest.

27. MINUTES

RESOLVED: That the minutes of the meeting of the Standards and Governance Committee held on 15 January 2015 be approved and signed by the Chairman as a true and correct record.

28. DEPUTATIONS

There were no deputations

29. PUBLIC QUESTIONS

There were no public questions.

PART II

30. ERNST & YOUNG – AUDIT PROGRESS REPORT

Consideration was given to a report of the Council's external auditors Ernst & Young that summarised the work completed to date in respect of the 2014/15 audit and the outline plan for the completion of the remaining work.

The Committee were advised by Ernst & Young that following a number of meetings held with key officers, the initial planning for the audit had been carried out, which had identified the Council's material income and expenditure systems.

It was reported by Ernst & Young that detailed testing of Housing Benefit and Local Council Tax support controls had been started along with the substantive testing of income and expenditure transactions had commenced.

In response to a Member's question, it was clarified by the Head of Internal Audit & Risk Assurance that following a successful recruitment cycle, two new trainee positions had been filled and would address issues relating to Internal Audit staffing levels.

Members were referred to Appendix A of the report which detailed a timetable identifying the key stages of the planned audit.

RESOLVED: That the Standards and Governance Committee review and note the audit progress report in respect of the completion of the 2014/15 audit.

31. INTERNAL AUDIT PLAN 2015/16

Consideration was given to the report of the Head of Internal Audit & Risk Assurance that provided the Committee with the planned annual coverage of the Internal Audit resource in 2015/16.

Following a Member's question in relation to Eastleigh Borough Council ceasing involvement with the audit partnership arrangement currently in place, it was advised that partnership with Test Valley would continue with the Head of Internal Audit & Risk Assurance working off site for 2 days per week. It was further reported that following the revised arrangements, more time would be available to professionally train the two new members of staff who were commencing their employment on 7th April 2015.

RESOLVED: That the Standards and Governance Committee comment on and approve the Internal Audit Plan for 2015/16 as attached in Appendix A of the report.

32. INTERNAL AUDIT MONITORING STATEMENT TO 31.01.15 & RISK MANAGEMENT UPDATE

Consideration was given to a report of the Head of Internal Audit and Risk Assurance to table the performance of the Internal Audit Section in the ten months of 2014/2015 (1 April 2014 – 31 January 2015) against the agreed audit plan, to the Members with responsibility for governance. The report also provided Members with an update in risk management.

Members were advised that the report gave an overview of internal audit activity against assurance work that had been completed in accordance with the approved internal audit plan.

It was reported that in the ten month period to the end of January 2015, adequate progress had been made in delivering the revised internal audit plan.

Clarification was sought in relation to the risk scoring mechanism detailed in the report and it was suggested that further training be provided to Members on Risk Management.

RESOLVED: That the Standards and Governance Committee:

- a) review the performance of Internal Audit from 1 April 2014 to 31 January 2015
- b) note the current status of the Council Strategic Risk Register and approve the updated Risk Management Policy and Risk Management Strategy;
- c) approve the Risk Management Strategy (Appendix A) and the Risk Management Policy (Appendix B) attached to the report; and
- d) note the update on the planned coverage for 2014/15 as at 31 January 2015, the future of the revised internal audit partnership with Test Valley Borough Council and the current position of risk management within the Council.

33. ANY OTHER BUSINESS

There was no other business.

The meeting concluded at 18:35

CHAIRMAN