

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE
WAS HELD ON 20 JUNE 2013**

Councillors Burgess (P), Chegwyn, Dickson, Jacobs (P), Forder (P), Henshaw (P), Scard (P) and Wright (P).

7. APOLOGIES

There were no apologies received.

8. DECLARATIONS OF INTEREST

There were no declarations of interest.

9. MINUTES

RESOLVED: That the minutes of the meetings of the Standards and Governance Committee held on 11 April and 16 May 2013 be approved and signed by the Chairman as true and correct records.

10. DEPUTATIONS

There were no deputations

11. PUBLIC QUESTIONS

There were no public questions.

PART II

12. INTERNAL AUDIT ANNUAL REPORT YEAR ENDING 2012 / 2013

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which, in accordance with the National Code of Practice on Internal Audit, the Head of Internal Audit is required to present annually to the appropriate body with responsibility for both governance and the Internal Audit function.

Members were advised that there were no updates to the report.

Further to a question from a Member regarding Internal Audit resources, it was confirmed that the Head of Internal Audit would continue a shared management role across two councils and that a business case for a third party to join the partnership was progressing.

Members were advised that continued activity in detecting and preventing benefit and corporate fraud was taking place.

RESOLVED: That:

- a) the Committee notes the contents of the report.
- b) the opportunity to broaden the current shared management role for internal audit as laid out in Appendix A 3.1 of the report be noted.

13. AUDIT PLAN

Consideration was given to a report of the Council's external auditors (Ernst & Young) which provided the Committee with a basis to review the proposed audit approach and scope for the 2012/13 external audit in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Standing Guidance, auditing standards and other professional requirements, and also to ensure that the audit is in line with the Committee's expectations.

Members were advised that the external audit of the Council was due to be completed by September 2013 and that Internal Audit Reports would be scrutinised to highlight any potential risks. It was confirmed that any new significant risks would be reported back formally as part of the audit results report in September 2013.

Members were advised that there was no proposed increase to the scale fee set by the Audit Commission and that there was currently no significant pattern change to income and expenditure.

Further to a question from a Member regarding securing financial resilience for a small authority with limited resources it was advised that currently no risks had been identified and that the audit would look at arrangements to secure future economy, efficiency and effectiveness in the use of resources.

RESOLVED: That the report be noted.

14. AUDIT PROGRESS REPORT

Consideration was given to a report of the Council's external auditors (Ernst & Young) which provided the Committee with an overview of the stage reached by the Council's external auditors in delivering the 2012/13 audit.

Members were advised that meetings had been arranged with key Finance Officers and Internal Audit and it was confirmed that the External Audit team would be based at Gosport Borough Council for the detailed audit work and will have regular contact with Internal Audit.

It was confirmed that the External Audit Team would look at financial systems in place that underpin the financial statements to analyse which systems produce material entries within the financial statements of Gosport Borough Council.

Members were advised that findings from the audit detailing any significant weaknesses or inefficiencies would be identified and reported to the September 2013 Committee meeting within the Audit Results Report.

It was suggested that an informal session to explain the differences between the workings of External Audit Team and Internal Audit be arranged before the 12th September 2013 meeting enabling participation from all Members.

RESOLVED: That the report be noted.

15. ANY OTHER ITEMS

There were no other items.

The meeting concluded at 18.23pm

CHAIRMAN