

**SOUTH RIBBLE BOROUGH COUNCIL****COUNCIL MEETING 20 MAY 2014****REPORT OF THE GOVERNANCE COMMITTEE MEETING HELD ON 23 APRIL 2014***External Audit Opinion Plan 2013/14*

- Received a report from the Council's external auditors Grant Thornton outlining their understanding of the challenges and opportunities facing the Council; their proposed approach to the audit, and the results of interim audit work currently underway
- Reassured that the significant risks identified by the external auditors (fraudulent transactions and management over-ride of controls) were generic to all local authorities
- Acknowledged that the external auditors' work on City Deal in 2013/14 would essentially be a watching brief to ensure we had factored associated costs and income into our longer term plans

*External Audit 2014/15 Audit Fees Letter*

- Learned that the scale of fees set by the Audit Commission for 2014/15 was the same as for 2013/14
- Welcomed the reduction in the grant certification fee now that the external auditors were no longer required to audit our National Non-Domestic Rate return
- Noted a small change in the external audit senior management team

*External Audit Governance Committee Update*

- Received a report on progress made by Grant Thornton in delivering its responsibilities as our external auditor
- Provided with an overview of a number of emerging issues and developments and
- Pleased to learn that the challenge questions posed in the report would be addressed as part of this year's Annual Governance Statement process

*Internal Audit Plan 2014/15*

- Received a report outlining the Internal Audit work programme for 2014/15
- Learned that several services which had moved to another directorate as a result of the senior management restructure would be subject to a review, eg homelessness and development control
- Considered and approved a revised controls assurance ratings system which would include a scoring matrix intended to give a more visual representation of controls ratings and to give Directors / Heads of Service a degree of evidence of what was happening in their areas

*New Public Sector Internal Audit Standards*

- Appraised of new requirements for Internal Audit following the publication of new standards
- Reassured that the Council's existing arrangements were already significantly compliant and welcomed an action plan to address any areas of non-compliance
- Welcomed the recent re-certification of the Internal Audit Service to BS EN ISO 9001
- Approved a new Internal Audit Service Charter

*Forward Plan*

- Noted the Forward Plan without further debate.

I hereby commend the report to Council.

COUNCILLOR WARREN BENNETT  
CHAIRMAN OF THE GOVERNANCE COMMITTEE