

FAREHAM

BOROUGH COUNCIL

Minutes of the Audit and Governance Committee (to be confirmed at the next meeting)

Date: Monday, 28 November 2016

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Miss T G Harper (Chairman)

Councillor P J Davies (Vice-Chairman)

Councillors: F Birkett, Mrs M Brady, J E Butts, Mrs T L Ellis and S D Martin

**Also
Present:**



1. APOLOGIES

There were no apologies received at this meeting.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee held on 19 September 2016 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.
MATTERS CONSIDERED FOR CONFIRMATION

6. NEW ARRANGEMENTS FOR THE APPOINTMENT OF EXTERNAL AUDITORS FROM APRIL 2018

The Committee considered a report by the Director of Finance and Resources summarising the proposed arrangements for appointing the next External Auditors.

Members discussed the proposed arrangements and agreed that opting into the Public Sector Audit Appointments (PSAA) was a clear and sensible option.

RESOLVED that the Committee recommends that Council accepts Public Sector Audit Appointments (PSAA) invitation to 'opt in' to the sector led option for appointment of external auditors for five financial years commencing 01 April 2018.

7. UPDATES TO FINANCIAL REGULATIONS

The Committee received a report by the Head of Finance and Audit proposing changes to the Financial Regulations; 4 – Authorisation Limits and 13 – Physical Assets.

Members asked for more information about the reasons for the increase to the Level 1 Budget Expenditure outlined in Appendix A of the report. The Director of Finance and Resources explained to the Committee that the rise is to ensure that the Director who understands their service is able to make a decision regarding payment, rather than the Director of Finance and Resources who is not necessarily always best placed to do so.

Members sought clarification on the proposed changes outlined in bold on page 87 of the report and asked that the wording be changed from 'Property, Estates or Procurement teams, as appropriate to the acquisition.' to 'Property, Estates or Procurement teams, as appropriate to the acquisition and within the remit of their service'.

RESOLVED that

- (a) the proposed changes to Authorisation Limits in Financial Regulation 4, as set out in Appendix A to the report, be agreed and recommended to Council for approval; and
- (b) the proposed changes to wording in Financial Regulation 13.2.2, as outlined at paragraph 4 of the report be agreed and recommended to Council for approval, subject to the inclusion of the words "and within the remit of their service" so that it reads 'Property, Estates or Procurement teams, as appropriate to the acquisition and within the remit of their service'.

DECISIONS MADE UNDER DELEGATED POWERS

8. ANNUAL AUDIT LETTER

The Committee considered a report by the Director of Finance and Resources on the External Auditors Letter summarising the findings from the 2015/16 audit.

The new Executive Director of Ernst and Young, Helen Thompson, addressed the Committee to introduce herself and explain that she will be presenting the external auditor's reports to the Audit and Governance Committee for the foreseeable future.

RESOLVED that the Committee notes the content of the report.

9. TREASURY MANAGEMENT POLICY AND STRATEGY IMPLEMENTATION

The Committee considered a report by the Director of Finance and Resources on the implementation of the Treasury Management Policy and Strategy.

RESOLVED that the Committee note the contents of the report.

10. SCHEME OF DELEGATION

The Committee received a verbal update from the Monitoring Officer on proposed updates to the Council's Scheme of Delegation to Officers.

(Councillor Miss Harper temporarily left the room during deliberation of this item)

It was noted that the correct title for this item should be 'Scheme of Delegation to Officers'.

The Head of Democratic Services addressed the Committee to give details of the work being undertaken by the working group set up to review the constitution, and the recent review of the Scheme of Delegation to Officers.

Periodic organisational restructures have had an impact on the efficiency and operational usefulness of the Officer Delegation Scheme, especially at the highest level of management where there are now 3 Directors instead of the 5 who were in place up until 2009. In order to reduce time delays and to ensure resilience, the designation to the Chief Officer level has been updated to include relevant Heads of Service. It is therefore proposed that certain delegations are adjusted to Head of Service level for some functions.

The draft amendments will be reported to the following parent committees for consideration on these dates:-

- 09 January 2017 – Executive
- 24 January 2017 – Licensing & Regulatory Affairs Committee
- 25 January 2017 – Planning Committee
- 13 March 2017 – Audit and Governance Committee

The final document will then go to Council for approval on 27 April 2017.

RESOLVED that the Committee notes the content of the verbal update.

11. LOCAL CODE OF CORPORATE GOVERNANCE

The Committee considered a report by the Head of Finance and Audit which recommended a new version of the Local Code of Corporate Governance.

RESOLVED that the new version of the Local Code of Corporate Governance, as set out in Appendix A to the report, be approved.

12. UPDATE ON THE NEW RISK MANAGEMENT POLICY

The Committee received a presentation from the Head of Finance and Audit updating the Committee on the work being carried out to set the New Risk Management Policy.

The presentation gave a brief overview of the history of Risk Management Policy and explained why a change was needed as a result of systems thinking and the new ways of working within the Council.

The Head of Finance and Audit asked for the Committee to provide feedback on the proposals for the new policy and a lengthy discussion took place which will help to aid officers to finalise the new policy.

RESOLVED that the Committee, note the contents of the presentation.

13. QUARTERLY AUDIT REPORT

The Committee considered the Quarterly Audit Report by the Head of Finance and Audit.

RESOLVED that the Committee, notes the progress and findings arising from the internal audit work.

14. REVIEW OF WORK PROGRAMME AND TRAINING PLAN

The Committee considered a report by the Head of Finance and Audit which reviewed the Committee's Work Programme for 2016/17.

One addition to the programme was noted following the item on the Scheme of Delegation as this item will be brought back to the 13 March meeting.

RESOLVED that:-

- (a) the Scheme of Delegation to Officers item be added to the 13 March meeting; and
- (b) the Work Programme for the remainder of the year as set out in Appendix A of the report, be approved.

(The meeting started at 6.00 pm
and ended at 7.40 pm).