



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

*Minutes of a meeting held on 28 June 2012
at the Civic Offices, Fareham*

PRESENT:

Councillor T G Knight
(Chairman)

Councillors: J M Englefield, N R Gregory (deputising for Councillor Keeble),
Miss T G Harper, Mrs K Mandry and D J Norris.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors L Keeble and P J Davies.

2. MINUTES

RESOLVED that the minutes of the meeting of the Audit Committee held on 12 March 2012 be confirmed and signed as a correct record ([au-120312-m](#)).

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Councillors Norris and Englefield as new members of the Audit & Governance Committee.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

MATTERS SUBMITTED FOR CONFIRMATION

6. COMPLIANCE WITH THE LOCAL CODE OF CORPORATE GOVERNANCE

The Committee considered a report by the Director of Regulatory and Democratic Services on how the Council complies with the requirements of the Local Code of Corporate Governance (copy of report [au-120628-r06-eha](#)).

RECOMMENDED to Council that:-

- (a) the way in which the Council complies with the Local Code of Corporate Governance be noted;
- (b) the changed wording to requirement 6.1.3 in the Local Code of Corporate Governance, as given at paragraph 7, be adopted, and
- (c) the areas for improvement be endorsed.

7. FINANCIAL REGULATIONS UPDATE - REGULATIONS 5, 6 AND 7 - FINANCIAL PLANNING AND REPORTING

The Committee considered a report by the Director of Finance and Resources on the review of the Financial Regulations (copy of report [au-120628-r08-eha](#)).

RECOMMENDED to Council that the changes proposed within the report be approved, including the following additional changes to Appendix C:-

- (a) paragraph 7.2.1 to include the word "clear" to indicate that reports should be written in "plain" English; and
- (b) paragraph 7.3.2 to ensure that the phrase "Annual Statement of Accounts" is properly titled with capital letters.

DECISIONS UNDER DELEGATED POWERS

8. UPDATE ON EXTERNAL AUDIT ANNUAL PLAN

The Committee considered a report by the Director of Finance and Resources on the Audit Plan Update from the Audit Commission, the Council's external auditors (copy of report - [au-120628-r01-awa](#)).

At the invitation of the Chairman, Mark Catlow, Senior Manager at the Audit Commission addressed the Committee to present the Audit Plan Update.

RESOLVED that the Committee note the update to the Audit Plan as set out in Appendix A of the report.

9. QUARTERLY INTERNAL AUDIT REPORT - QUARTER 1 2012/13

The Committee considered a report by the Director of Finance and Resources on the information arising from the latest internal audit work to be finalised (copy of report - [au-120628-r04-age](#)) and an update on the completion of the remaining audits from previous plans and the new audits planned for 2012/13.

At the invitation of the Chairman, Martyn White, Engagement Manager at Deloitte & Touche Public Sector Internal Audit Ltd. addressed the Committee to answer questions regarding the Quarterly Internal Audit Report.

RESOLVED that the Committee note the contents of the report.

10. HEAD OF AUDIT'S ANNUAL REPORT

The Committee considered a report by the Director of Finance and Resources on the Head of Audit's Annual Report (copy of report - [au-120628-r05-age](#))

RESOLVED that the Committee note the contents of the report as a source of evidence for the 2011/12 Annual Governance Statement.

11. COUNTER FRAUD STRATEGY PROGRESS REPORT

The Committee considered a report by the Director of Finance and Resources on the Counter Fraud Strategy (copy of report [au-120628-r09-eha](#)).

RESOLVED that the progress made to date as part of the Counter Fraud Strategy be noted.

12. STANDARDS ARRANGEMENTS

The Committee considered a report by the Director of Regulatory and Democratic Services on the revised standards arrangements and new functions of the Audit and Governance Committee, following implementation of the Localism Act 2011 (copy of report [au-120628-r10-gwh](#))

RESOLVED that the Committee note the new functions of the committee in order to promote and maintain high standards of conduct for its elected Members and any co-opted Members.

It was agreed that the new Designated Independent Persons be invited to attend a meeting of the Committee as well as Member training sessions on the new Code of Conduct and the arrangements for dealing with any alleged breach of the Code.

13. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that in accordance with the Local Government Act 1972 the Public and Press be excluded from the remainder of the meeting, as the Committee considered that it is not in the public interest to consider the following matter in public on the grounds that the matter to be dealt with involved the disclosure of exempt information, as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act.

Item considered in Private

14. FRAUD INVESTIGATION PROGRESS REPORT

The Committee considered a report by the Director of Finance and Resources which summarised the number and type of investigations that have been carried out into suspected cases of fraud during 2011/12 (copy of report [confidential paper](#) which contains exempt information circulated to members with the agenda and appended to signed minutes).

RESOLVED that the Committee received and note the information contained within the report.

(The meeting started at 6:00pm
and ended at 8:09pm).