



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

*Minutes of a meeting held on 26 November 2012
at the Civic Offices, Fareham*

PRESENT:

Councillor T G Knight
(Chairman)

Councillor L Keeble
(Vice Chairman)

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

1. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed the Council's two Independent Members, David Basson and Mary Kilbride to the meeting. He also introduced the new external auditors that the Council would be using following the demise of the Audit Commission; Kate Handy, Audit Director and Catherine Morganti, Audit Manager from Ernst & Young.

2. APOLOGY FOR ABSENCE

An apology for absence was received from Councillor Gregory.

3. MINUTES

RESOLVED that the minutes of the meeting of the Audit Committee held on 28 June 2012 be confirmed and signed as a correct record ([au-120924-m](#)).

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. UPDATE TO THE LOCAL CODE OF CORPORATE GOVERNANCE

The Committee considered a report by the Director of Regulatory and Democratic Services on an update to the Local Code of Corporate Governance (copy of report [au-121126-r04-eha](#) refers).

RESOLVED that the Committee recommends to Council that the proposed changed wording to the Local Code of Corporate Governance, as set out in Appendix A, be adopted.

7. ANNUAL REVIEW OF CONTRACT PROCEDURE RULES

The Committee considered a report by the Director of Regulatory and Democratic Services on the proposed amendments to the Council's Contract Procedure Rules (copy of report - [au-121126-r06-eha](#) refers).

RESOLVED that the Committee recommends to Council that the proposed changes, as set out in Appendix A, be approved.

8. REVIEW OF FINANCIAL REGULATION 16 (ORDERING AND PAYING FOR GOODS AND SERVICES)

The Committee considered a report by the Director of Finance and Resources on the review carried out on Financial Regulation 16, with the purpose to stream line them down to the key controls that members and officers are expected to adhere to (copy of report [au-121126-r07-eha](#) refers)

RESOLVED that the Committee recommends to Council that the proposed changes set out in the report be approved.

DECISIONS UNDER DELEGATED POWERS

9. EXTERNAL AUDIT ANNUAL AUDIT LETTER

The Committee considered a report by the Director of Finance and Resources on the External Auditor's Annual Audit Letter 2011/12 which summarised the findings from the 2011/12 audit. (copy of report [au-121126-r05-awa](#) refers).

RESOLVED that the Committee note the content of the letter as set out in Appendix A of the report.

10. REVIEW OF WORK PROGRAMME AND TRAINING NEEDS

The Committee considered a report by the Director of Finance and Resources which reviewed the current Work Programme and identified any specific training needs. (copy of report [au-121126-r11-eha](#) refers).

RESOLVED that:-

- a) the work programme for the rest of the year, as set out in Appendix A of the report, be approved;
- b) the changes to slim down the work programme for future years, as set out in paragraph 5 be approved, subject to counter fraud reports remaining as 6 months;
- c) the work programme report be included on every agenda, and
- d) that a survey be undertaken to identify generic member training needs that can be incorporated into a Member Training Programme for 2013/14 and reported to the next meeting of the Audit and Governance Committee.

11. IMPLEMENTATION OF THE TREASURY MANAGEMENT POLICY AND STRATEGY

The Committee considered a report by the Director of Finances and Resources on the Implementation of the Treasury Management Policy Statement (copy of report - [au-121126-r01-cha](#) refers).

RESOLVED that the report be noted. .

12. QUARTERLY INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report by the Director of Finance and Resources on the internal audit work (copy of report [au-121126-r08-mwh](#) refers).

At the invitation of the Chairman, Martyn White from Deloitte and Touche Public Sector Internal Audit addressed the Committee to present the report, and answered questions from the members.

RESOLVED that the progress of the Contractor Internal Audit Plan, as set out in Appendix A of the report, be noted.

13. COUNTER FRAUD STRATEGY PROGRESS REPORT

The Committee considered a report by the Director of Finance and Resources on the progress being made to deliver the Corporate Counter Fraud Strategy (copy of report [au-121126-r10-eha](#) refers).

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

14. OVERVIEW OF COMPLAINTS AGAINST THE COUNCIL

The Committee considered a report by the Director of Community and Director of Regulatory and Democratic Services and Monitoring Officer, on a review of the Complaints against the Council (copy of report [au-121126-r12-ata](#) refers).

RESOLVED that the report reviewing complaints to the Local Government Ombudsman and allegations to the former Standards Committee of breaches of the Code of Conduct for Members for the year ending 31 March 2012 be received and noted.

15. 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.

16. COUNTER 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 the period April to September 2012 (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 noted the content of the report.

(The meeting started at 6:04pm
and ended at 8.08pm).