

FAREHAM

BOROUGH COUNCIL

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

Date: Thursday, 27 June 2013

Venue: Collingwood Room - Civic Offices

PRESENT:

T G Knight (Chairman)

L Keeble (Vice-Chairman)

Councillors: J M Englefield, Miss T G Harper, P W Whittle, JP and
K D Evans (deputising for D L Steadman)

**Also
Present:**



1. APOLOGIES

Apologies for absence were received from Councillors P Davies and D Steadman.

2. MINUTES

RESOLVED that the minutes of the meeting of the Audit and Governance Committee held on 11 March 2013 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed to the meeting, Kate Handy and Catherine Morganti from Ernst and Young, and Councillor Whittle who has re-joined the Committee.

The Chairman also thanked the Director of Finance and Resources for the information that was provided to members from Ernst & Young, which gave members some useful background information.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

In accordance with the Standing Orders and the Council's code of Conduct, Councillor Whittle declared a non-pecuniary interest for minute 6 - Benefits Anti-Fraud Policy and minute 10 – Counter Fraud Investigation Progress Report as he is a Justice of the Peace for the South East Magistrates.

5. DEPUTATIONS

There were no deputations made at this meeting.

MATTERS SUBMITTED FOR CONFIRMATION

6. BENEFITS ANTI-FRAUD POLICY

The Committee considered a report by the Director of Finance and Resources on the Benefits anti-fraud policy. It was explained to the Committee that a review of the policy was required due to amendments to the existing sanctions that can be imposed on Housing Benefit claims and the fundamental legislative changes that are effective from 1 April 2013 to enable the investigation of fraudulent Council Tax Support claims.

Councillor Whittle declared a Non-Pecuniary Interest when he addressed the Committee on this item, as he is a Justice of the Peace for the South East Magistrates.

RESOLVED that the Committee recommends to Council that the Benefits Anti-Fraud Policy, as set out in Appendix A of the report, is approved and adopted.

7. FINANCIAL REGULATIONS UPDATES

The Committee considered a report by the Director of Finance and Resources on the latest Financial Regulations Updates. Three more regulations have been reviewed these were: Regulation 14 – Other Assets, Regulation 10 – Risk Management and Regulation 11 – Audit Arrangements.

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

DECISIONS UNDER DELEGATED POWERS

8. EXTERNAL AUDIT PLAN 2012/13

The Committee considered a report by the Director of Finance and Resources on the Audit Plan from the Council's external auditors, Ernst & Young LLP.

At the Invitation of the Chairman, Kate Handy from Ernst & Young addressed the Committee on this item and took questions from members.

RESOLVED that the Committee approve the Audit Plan, attached as Appendix A to the report.

9. 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 October 2012 to March 2013. The Committee was informed that the report has modified so that it can now be an open public report rather than a confidential report which it has been previously.

Councillor Whittle declared a Non-Pecuniary Interest when he addressed the Committee on this item, as he is a Justice of the Peace for the South East Magistrates.

RESOLVED that the content of the report be noted.

10. QUARTERLY INTERNAL AUDIT REPORT

The Committee considered a report by the Director of Finance and Resources on the quarterly internal audit which provided information that had arisen from the latest internal audit work and gave 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, Ben Deeley from Deloitte addressed the Committee on this item and took questions from members.

The Committee expressed concern over the section of the report relating to the audit of Ferneham Hall, in particular the findings that little progress had been made on the recommendations from the previous audit. The Director of Finance and Resources informed the Committee that a full audit of Ferneham Hall is due to take place later in the year.

RESOLVED that: -

- (a) the Committee requested a report on the Ferneham Hall audit be brought back to the Committee in November and that an appropriate management representative attends for that item; and
- (b) the Committee noted the progress of the Contractor Internal Audit Plan, as set out in Appendix A to the report.

11. HEAD OF AUDITS ANNUAL REPORT

The Committee considered a report by the Director of Finance and Resources on the Head of Audit's Annual Report. The report set out the Internal Audit coverage, findings and performance for 2012/13, and gave an overall assurance opinion on the adequacy and effectiveness of the Council's internal control environment.

RESOLVED that the content of the report was noted as a source of evidence for the 2012/13 Annual Governance Statement.

12. COUNTER FRAUD STRATEGY PROGRESS REPORT

The Committee considered a report by the Director of Finance and Resources on the Counter Fraud Strategy Progress report. The report updated the Committee on Counter Fraud Strategy work carried out in the last 6 months.

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

13. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Committee considered a report by the Director of Finance and Resources on the Committee's Work Programme.

RESOLVED that the Committee noted and approved the Work Programme for 2013/14, as set out in Appendix A of the report.

(The meeting started at 6.00 pm
and ended at 7.27 pm).