

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 25 November 2013

Venue: Collingwood Room - Civic Offices

PRESENT:

T G Knight (Chairman)

L Keeble (Vice-Chairman)

Councillors: P J Davies, J M Englefield, Miss T G Harper, D L Steadman and P W Whittle, JP

**Also
Present:**



1. APOLOGIES

There were no apologies for absence.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee held on 23 September 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 Ernest and Young, and Andy Jefford and Pat Stothard from Deloittes.

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, JP declared a non-pecuniary interest for minute 15 – Counter Fraud Investigation Progress as he is a Justice of the Peace for the South East Magistrates and has recently adjudicated on several fraud cases outside of the Borough.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. LATEST FINANCIAL REGULATIONS UPDATE

The Committee considered a report by the Director of Finance and Resources which reviewed Financial Regulation 19 – Income Collection and Banking.

RESOLVED that the Committee recommends to Council that the proposed changes to Financial Regulation 19, as set out in Appendix B of the report, be approved.

7. CORPORATE ANTI-FRAUD & CORRUPTION POLICY

The Committee considered a report by the Director of Finance and Resources on the Corporate Anti-Fraud and Corruption Policy.

Members discussed the issue of zero tolerance towards acts of fraud against the Council. The Committee supported the need to uphold the highest standards of financial probity and accountability in relation to fraud, and felt strongly that the policy should be well publicised to convey a clear message of intolerance towards acts of fraud and corruption.

RESOLVED that the Committee recommends to Council that:-

- (a) the Committees comments regarding intolerance towards acts of fraud and corruption against the Council be noted; and

- (b) the revised Anti-Fraud and Corruption Policy, as set out in Appendix A of the report, be adopted.

8. UPDATES TO THE CONSTITUTION

The Committee considered a report by the Director of Regulatory and Democratic Services on the proposed changes to the Constitution and to Standing Orders with respect to meetings.

Members were advised that following further advice from legal services, further amendments had been made to the revised Standing Orders with Respect to Meetings document. The Director of Regulatory and Democratic Services addressed the Committee to update them on the new amendments.

Councillor Whittle, JP requested that his reservations be recorded that he feels that there has not been sufficient time allowed for members to review and consult on the proposed changes to the Standing Orders with Respect to Meetings.

The Committee discussed this item at length and it was suggested that a cross-party working group or an all member workshop be set up to review any further changes to the Standing Orders.

RESOLVED that the Committee recommends to the Executive:-

- (a) that the wording of Paragraph 28, 28.1 and 28.2 be amended from 'other matters' to read 'other financial matters';
- (b) that the Executive forms a cross-party member working group to review all future revisions to the Standing Orders with respect to Meetings;
- (c) the Committee's comments and concerns regarding the process for reviewing the revisions to the Standing Orders with Respect to meetings be noted; and
- (d) subject to (a), (b) and (c) above the updated Standing Orders with Respect to Meetings be considered by the Executive before adoption by the Council.

9. CONTRACT PROCEDURE RULES

The Committee considered a report by the Director of Regulatory and Democratic Services on Contract Procedure Rules.

RESOLVED that the Committee recommends to Council that the proposed change to Contract Procedure Rules be approved.

10. EXTERNAL AUDITORS ANNUAL AUDIT LETTER 2012/13

At the agreement of the Committee the Chairman took this item at this point in the meeting.

The Committee considered a report by the Director of Finance and Resources on the External Audit Annual Inspection Letter.

At the invitation of the Chairman, Kate Handy from Ernst and Young presented the report to the Committee and took questions from members.

RESOLVED that the Committee notes the content of the Annual Audit Letter 2012/13 submitted by the Council's external auditors.

11. CONTRACTOR QUARTERLY AUDIT REPORTS

At the agreement of the Committee the Chairman announced that this item would be taken at this point in the meeting.

The Committee considered a report by the Director of Finance and Resources on the Contractor Quarterly Audit Report.

At the invitation of the Chairman, Andy Jefford from Deloitte presented the report to the Committee and took questions from members.

RESOLVED that the Committee notes the progress and findings arising from the Internal Audit planned work being carried out by the Contractor, attached as Appendix A to the report.

12. REVIEW OF WORK PROGRAMME AND TRAINING PLAN

The Committee considered a report by the Director of Finance and Resources which reviewed the Work Programme and the Training Plan.

RESOLVED that the Work Programme for the rest of the year, as set out in Appendix A, be approved.

13. IMPLEMENTATION OF TREASURY MANAGEMENT POLICY AND STRATEGY

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

At the invitation of the Chairman the Finance Strategy and Development Manager presented the report to the Committee. Members were asked to note a figure error in the report; Appendix B, Building Societies with Assets over £500 bn, the correct figure should be £5 bn.

The Director of Finance and Resources was asked to explain the administrative arrangements for the Treasury Management Policy and Strategy.

RESOLVED that the Committee notes the mid-year review of the Treasury Management Policy and Strategy document.

14. COUNTER FRAUD STRATEGY PROGRESS

The Committee considered a report by the Director of Finance and Resources on the work carried out as part of the Counter Fraud Strategy.

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

15. COUNTER FRAUD INVESTIGATION PROGRESS

The Committee considered a report by the Director of Finance and Resources on the nature and outcomes of frauds that are investigated.

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 and has recently adjudicated on several fraud cases outside of the Borough.

Members discussed the possibility of an incentive for fraud reporting to encourage more people to come forward to report suspect fraud. The Director of Finance and Resources suggested the officers use the Local Authority fraud network to research the effectiveness of using incentives for fraud reporting, with the results being reported back to the Committee at a future date.

RESOLVED that:-

- (a) a report on the use of incentives by other authorities comes back to the Committee at a later date; and
- (b) the content of the report be noted.

16. PUBLIC SECTOR INTERNAL AUDIT STANDARDS AND REVISED INTERNAL AUDIT CHARTER

The Committee considered a report by the Director of Finance and Resources on the Internal Audit Charter.

RESOLVED that the Committee approves the revised Internal Audit Charter, attached as Appendix B of the report.

(The meeting started at 6.02 pm
and ended at 8.18 pm).