

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 27 November 2023

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Ms F Burgess (Chairman)

Councillor R Bird (Vice-Chairman)

Councillors: Mrs T L Ellis, N R Gregory, D J Hamilton and S D Martin

**Also
Present:**



1. APOLOGIES

An apology of absence was received from Councillor H P Davis.

2. MINUTES

The Chairman addressed the Committee to confirm that the Pension Scheme training that was requested by Members at the last meeting had taken place prior to this meeting. The Chairman extended thanks to Neil Wood, Finance Manager for delivering a very useful and informative training session.

RESOLVED that the Minutes of the Audit and Governance Committee meeting held on 25 September 2023 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcement –

Members may be aware that we have an overdue report covering the external certification work on the benefits subsidy claim for 2021/22.

Members may remember that Ernst and Young LLP have stepped in to do this work when KPMG pulled out of the contract and we received no interest from firms in 2 rounds of procurement.

The value of the subsidy claim for 2021/22 is approximately £13.5M. I have been given assurance that the external certification work is now mainly complete and we have received a draft report with the initial findings which are not significant. However, the full process is currently undergoing EY's internal management review process and so cannot be relied upon at this point in time.

Ernst and Young LLP have also agreed to carry out the work on the benefits subsidy claim for 2022/23 and this work, is expected to start shortly.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

No deputations were received at this meeting.

6. EXTERNAL AUDIT UPDATE

The Committee received a verbal update from Ben Lazarus, the Council's new account manager at Ernst & Young LLP (EY), on the discussions that are on-going with regards to completing both the 2022/23 and 2023/24 audits.

With the external audit sector in a transition phase, the update provided assurances to Members that the Council is in a good place compared to other

local authorities, as the 2021/22 audit is now complete and some work has started on the 2022/23 audit. That said, the auditors are still waiting for central Government to set out clear direction on how these audits are to be delivered, which gives a challenge for EY to know how to focus their resources. Ben explained that the strong relationship with the Council Officers is very much appreciated, with discussions taking place with management to plan for the various scenarios for completing the audits. It is hoped that this planning, will put the Council in a good position once Ministers provide confirmation of a way forward.

Members commented that although reassured by the information provided, they felt it important for the 2022/23 audit to be completed, in order to understand where the Council is, particularly with regards to fraud risks and value for money.

RESOLVED that the Audit and Governance Committee note the contents of the verbal update.

7. TREASURY MANAGEMENT STRATEGY

The Committee received a report from the Finance Manager on the Treasury Management Strategy which sets out the mid-year review of the treasury management activity up to the 30 September 2023.

Members of the Committee asked questions to gain a greater understanding of the Treasury Management Strategy. The main topic of interest for Members is the effectiveness of the advice and information provided by Arlingclose, the Council's treasury management advisors. Officers confirmed that they have no concerns with the Arlingclose, reassuring Members that the contract is up for renewal so will be reviewed shortly to ensure the Council is getting the best service and value for money possible.

RESOLVED that the Audit and Governance Committee: -

- a) reviews the contents of the report; and
- b) provide comments in terms of the effectiveness of the treasury management strategy.

8. HEAD OF INTERNAL AUDITS QUARTERLY REPORT

The Committee received the latest quarterly report from the Head of Finance and Audit on the work of the Internal Audit team. Members of the Committee asked questions about the report with particular interest in the scope and findings from the home working review.

RESOLVED that the Audit and Governance Committee notes the progress and findings from the Internal Audit Work.

9. MONITORING OFFICER REPORT

The Committee received the Monitoring Officer Report from the Monitoring Officer. On this occasion the report included an update to the Deputation

Scheme, one of the Council's Financial Regulations, and the Anti- Fraud and Corruption Policy, all of which form part of the Constitution. The report also gave an update on Member Training for the next municipal year as well as the usual review of the Committee's work programme.

Members discussed various areas of the report, in particular focus was given to the Anti-Fraud and Corruption Policy and the details regarding Cyber Fraud with cyber-attacks evolving all the time. This is a key focus for the Council to ensure work is carried out to combat these threats, which includes the use of a dedicated Cybersecurity Officer.

RESOLVED that the Audit and Governance Committee: -

- a) notes the contents of Part One of the report;
- b) passed comment on the new Anti-Fraud and Corruption Policy, at Appendix B, for endorsement by Council;
- c) passed comment on the proposed revision to Financial Regulation 13.5 (Disposal of Assets), at Appendix C, for endorsement by Council; and
- d) approved the change to the deputation scheme, at Appendix D, for endorsement by Council.

(The meeting started at 6.00 pm
and ended at 6.55 pm).

..... Chairman

..... Date