

# FAREHAM

BOROUGH COUNCIL

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

**Date:** Monday, 25 November 2024

**Venue:** Collingwood Room - Civic Offices

**PRESENT:**

**Councillor** R N Bird (Chairman)

**Councillor** Miss T Harper (Vice-Chairman)

**Councillors:** F L Burgess, Mrs T L Ellis, D G Foot and D J Hamilton

**Also  
Present:**



**1. APOLOGIES**

An apology of absence was received from Councillor P Whittle.

**2. MINUTES**

RESOLVED that the Minutes from the Audit and Governance Committee meeting held on the 23 September 2024 be signed and agreed as a correct record.

**3. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made no announcements at this meeting.

**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 made at this meeting.

**6. EXTERNAL AUDITORS COMPLETION REPORT 2022/23**

The Committee received a report from the Assistant Director (Finance & ICT) on the External Auditor's Completion Report 2022/23. Simon Mathers from Ernst and Young LLP presented the report to the Committee, highlighting the reasons for the delay and confirming that this is a national issue for the sector with only a handful of audits within their portfolio being given an opinion for 2022/23, due to the need to comply with the national backstop date.

Members' attention was brought to the tabled item that has been circulated prior to the meeting and attached to these minutes. Officers had provided an updated version of the report along with an additional recommendation.

Members again expressed their frustration with the Council having to accept a disclaimer for the 2022/23 external audit, for no fault of the Council, but were grateful that the audit had been completed so things could get back on track. Verbal confirmation was provided to members that this situation was completely out of the Council's hands with nothing officers or members could have done differently to prevent it.

Members also asked about the fees for 2022/23 as concerns were raised, that although the audit had been delayed some of the duplicated work may mean an increase in fees. Simon confirmed that the fee for 2022/23 had not been agreed, but once confirmed by PSAA this would be brought to the Committee for consideration as usual.

REOLVED that:-

- (a) the Audit and Governance Committee notes the contents of the External Auditor's Completion Report 2022/23 (Appendix A);
- (b) the Chief Executive Officer and the Chairman of the Audit and Governance Committee sign the updated Management Representation letter (updated Appendix B); and
- (c) the Audit and Governance Committee approved the audited Statement of Accounts 2022/23 (additional Appendix C), noting that there have been no changes to the unaudited version approved at the 25 September 2023 Audit and Governance Committee.

## 7. **EXTERNAL AUDIT - INTERIM AUDIT RESULTS REPORT 2023/24**

The Committee received a report from the Assistant Director (Finance & ICT) to consider the External Auditor's Interim Audit Results Report, summarising the findings from the audit of the 2023/24 accounts which is now substantially complete. Tom Wilkins from Ernst and Young LLP presented the report to the Committee.

Members asked for clarity on the recommendation within the report, as concerns were raised about the Committee's ability to carry out its role effectively if the 2023/24 audit before them had not yet been completed.

The matter was discussed at length and it was agreed that a special, additional meeting of the Audit and Governance Committee would be scheduled (once agreed by Council at the December meeting) before the statutory backstop date of the 28 February 2025. This will allow for the Committee to consider the final 2023/24 audit report in session, if they deem any amendments made in the final report, when circulated, is a material change. If no amendments are made, or any amendments are considered to be only minor changes by majority consensus, this special, additional meeting can be cancelled.

It was also agreed by the Committee that additional wording be added to recommendation b) to say –

*b) the Chief Executive Officer and the Chairman of the Audit and Governance Committee sign the Letter of Representation, subject to the external auditors completing their outstanding procedures and any amendments to the accounts or the Letter of Representation, being updated by the Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee, as long as amendments are considered to be non -material.*

and that an additional recommendation c) would be included to confirm that an additional meeting will be conveyed if material changes are made to the 2023/24 audit report.

Officers also confirmed that the final audit report for 2023/24 and any amended accounts would be circulated to members of the committee with a summary from the Section 151 Officer.

RESOLVED that: -

- (a) the Audit and Governance Committee notes the contents of the draft Annual Results Report for 2023/24 (Appendix A); and
- (b) the Chief Executive Officer and the Chairman of the Audit and Governance Committee sign the Letter of Representation, subject to the external auditors completing their outstanding procedures and any amendments to the accounts, or the Letter of Representation, being updated by the Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee as long as amendments are considered to be non-material; and
- (c) if the Committee consider any amendments to the accounts to be material, an additional meeting of the Committee be conveyed to consider the final 2023/24 report.

## **8. TREASURY MANAGEMENT STRATEGY IMPLEMENTATION**

The Committee received a report from the Assistant Director (Finance and ICT) on the Treasury Management Strategy and provided updates on the implementation of that Strategy.

Members asked several questions for clarification, including details on the 2027/28 drop in the debts on the Housing Revenue Account, further information on the Council's commercial investments and details on how often the Council reviews its treasury advisor contract, currently with Arlingclose.

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.

## **9. CHIEF INTERNAL AUDITORS QUARTERLY REPORT**

The Committee received the Chief Internal Auditors Quarterly Report providing Members with the assurances arising from the latest internal audit work.

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

## **10. COMMITTEE REPORT**

The Committee received the standard Committee Report which updated the Committee's Work Programme. On this occasion there were no items endorsement by the Committee.

RESOLVED that the Audit and Governance Committee note the contents of Part One of the report for information.

(The meeting started at 6.03 pm  
and ended at 7.08 pm).

..... Chairman

..... Date