

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 24 November 2014

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor T G Knight (Chairman)

Councillor G Fazackarley (Vice-Chairman)

Councillors: P J Davies, Miss T G Harper, D L Steadman, P W Whittle, JP
and N R Gregory

**Also
Present:**



1. APOLOGIES

There were no apologies of absence.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee held on 22 September 2014 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that since the last meeting there has been one complaint regarding a suspect breach to the members' code of conduct, this is currently under investigation and further details will be reported to a later meeting of the Committee.

He also welcomed to the meeting Kate Handy and Martin Young from Ernst & Young (External Auditors) and Suzanne Smith and Pat Stothard from Mazars (internal Audit).

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

In accordance with the Standing Orders and the Council's Code of Conduct, Councillor P W Whittle, JP declared a non-pecuniary interest for minute 7 – External Auditors Annual Audit Letter as he lets contracts to Ernest & Young through his job.

He also declared a non-pecuniary interest in minute 10 – Counter Fraud Progress as he is a Justice of the Peace for the South East Magistrates and has on occasions adjudicated on fraud cases outside of the Borough.

5. DEPUTATIONS

There were no deputations made at this meeting.

MATTERS SUBMITTED FOR CONFIRMATION

6. REVIEW OF FINANCIAL REGULATIONS

The Committee considered a report by the Director of Finance and Resources on a review of Financial Regulations 21 – External Arrangements and 4 – Authorisation Limits.

RESOLVED that the Committee recommends to Council that the proposed changes to these regulations as set out in Appendix B and C to the report be approved.

DECISIONS MADE UNDER DELEGATED POWERS

7. EXTERNAL AUDITORS ANNUAL AUDIT LETTER

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

Councillor Whittle declared a non-pecuniary interest in this item as he lets contracts to Ernst & Young as part of his job.

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

Councillor Whittle addressed the Committee to congratulate officers on such an exemplary report.

RESOLVED that the Committee notes the content of the report.

8. IMPLEMENTATION OF TREASURY MANAGEMENT POLICY AND STRATEGY

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

Councillor Whittle enquired about the investment portfolio and as to whether it was cost effective to manage it internally and externally. The Director of Finance and Resources advised that the share of internally and externally managed investments is kept under review to ensure that it represents a good value approach. He also explained that having an external company managing part of the investment portfolio is an essential part of the Risk Management Strategy.

RESOLVED that the Committee notes the content of the report.

9. QUARTERLY AUDIT REPORT

The Committee considered a report by the Director of Finance and Resources on the quarterly audit report.

At the invitation of the Chairman, Pat Stothard from Mazars, presented the report and took questions from members.

Councillor Gregory enquired as to whether the implementation of the Vanguard interventions are affecting the internal audit processes and the recommendations that have come out of those audits. Pat Stothard confirmed that the Vanguard interventions can impact upon recommendations from audit reviews, however once recommendations are issued they are monitored and where changes to the service have occurred the recommendations are reviewed to see if they are still relevant and if not then they can be removed.

RESOLVED that the Committee notes the progress of the Contractor Internal Audit Plan, as set out in Appendix A to the report.

10. COUNTER FRAUD PROGRESS

The Panel considered a report by the Director of Finance and Resources on an update on the progress of Counter Fraud.

Councillor Whittle, JP declared a non-pecuniary interest in this item as he is a Justice of the Peace for the South East Magistrates and has on occasions adjudicated on fraud cases outside of the Borough.

Councillor Whittle enquired if it was possible for the section on the National Fraud Initiative in the report to include comparative figures for previous years so that members can have a better overview and understanding of how the fraud investigations are progressing. The Head of Audit and Assurance explained that it could be misleading as the nature of what is covered under National data is constantly changing, however she will look at the feasibility of this for the next report.

RESOLVED that the Committee notes the content of the report.

11. UPDATE ON AUDIT RECOMMENDATIONS

The Committee considered a report by the Director of Finance and Resources on an update on Audit Recommendations.

Members thanked the Head of Audit and Assurance for all of her hard work that went into creating the report and they commented that they found the report to be extremely useful.

RESOLVED that the Committee notes the content of the report.

12. REVIEW OF COMMITTEE WORK PROGRAMME

The Committee considered a report by the Director of Finance and Resources which reviewed the Committee's work programme.

The Chairman, Councillor Knight requested that the training session for members on the annual governance statement be included in the work programme.

RESOLVED that, subject to the addition of the training session for members on the annual governance statement, the work programme for the remainder of the year, as set out in Appendix A to the report, be approved.

(The meeting started at 6.00 pm
and ended at 7.07 pm).