

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 16 March 2015

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, N R Gregory and
D J Norris (deputising for P W Whittle, JP)

**Also
Present:**



1. APOLOGIES

An apology of absence was received from Councillor P W Whittle, JP.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee held on 9 February 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed to the meeting, Martin Young from Ernst & Young (External Auditors) and Pat Stothard and Suzanne Smith from Mazars (Internal Auditors).

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

MATTERS SUBMITTED FOR CONFIRMATION

6. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2015/16

The Committee considered a report by the Director of Finance and Resources on the Treasury Management Strategy and Prudential Indicators 2015/16.

Members asked questions regarding the Housing Revenue Account (HRA) and whether this debt could be affected in the future by changes in capital expenditure. The Finance Strategy and Development Manager explained that the HRA account is building up reserves and it is these reserves that will be used to help fund future housing development projects.

Members also enquired as to whether there is a contingency plan in place should a new Government be elected in May and they withdraw the HRA self-financing debt buy out scheme. The Director of Finance and Resources explained that this is unlikely to happen as the debt buy out scheme was established in legislation, and cannot easily be withdrawn.

RESOLVED that the Committee recommends to Council the draft Treasury Management Strategy and Prudential Indicators for 2015/16, attached as Appendix A to the report, be approved.

7. ANNUAL AUDIT AND GOVERNANCE COMMITTEE REPORT AND WORK PROGRAMME

The Committee considered a report by the Director of Finance and Resources on the annual Audit and Governance Committee report and work programme.

RESOLVED that the Committee:-

- (a) requests that the Council note the content of the report; and
- (b) approve the work programme for 2015/16, as set out in Appendix A to the report.

DECISIONS MADE UNDER DELEGATED POWERS

8. VARIATION TO THE EXTERNAL AUDIT FINAL FEE 2013/14

The Committee considered a report by the Director of Finance and Resources on a variation to the External Audit Final Fee 2013/14.

The report was presented by Martin Young from Ernst & Young, External Auditors, and took questions from members.

RESOLVED that the Committee note the content of Appendix A to the report.

9. EXTERNAL AUDIT CERTIFICATION REPORT

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

The report was presented by Martin Young, from Ernst & Young External Auditors, who took questions from members.

Councillor Gregory enquired as to whether the introduction of Universal Credit will affect the audit process. The Director of Finance and Resources explained to the Committee that if the Department of Work and Pensions (DWP) are to administer Universal Credit then the audit process will fall under their responsibility. He also explained that it is unknown at present which benefits will be retained by the Council, as not all benefits will fall under Universal Credit.

Councillor Davies addressed the Committee and expressed his appreciation for the hard work undertaken by the Benefits team.

RESOLVED that the Committee note the information contained in the Annual Certification Report 2013-14 submitted by the Council's external auditors.

10. BUSINESS CONTINUITY

The Committee considered a report by the Director of Environmental Services on the Council's business continuity plan.

The Head of Parking and Enforcement addressed the Committee and informed them that business continuity is taken very seriously, and reviews of all business continuity plans for all services will be conducted over the next year.

Councillor Gregory enquired as to whether there is flexibility within the plan as it could be that when an incident occurs more than one service could be affected. The Head of Parking and Enforcement confirmed that these things are taken into account when putting together a plan.

RESOLVED that the Committee notes the progress to date and the on-going work that is being undertaken in the development and implementation of the Council's business continuity arrangements.

11. INTERNAL AUDIT STRATEGY AND ANNUAL PLAN

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

The Head of Audit and Assurance presented the report to the Panel and outlined the proposed changes to the Internal Audit Strategy and Annual Plan which will allow more wider audit work to be undertaken by the in house team whilst still using bought in resources to deliver the individual opinion work in order to maintain independence.

RESOLVED that the Internal Audit Strategy and draft plan for 2015/16, as attached as Appendix A and Appendix B to the report, be approved.

12. QUARTERLY INTERNAL AUDIT REPORT

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

RESOLVED that the Committee note the progress of the Contractor Internal Audit Plan, attached as Appendix A to the report.

13. CORPORATE RISK REGISTER UPDATE

The Committee considered a report by the Director of Finance and Resources on an update of the Corporate Risk Register.

The Head of Audit and Assurance drew members' attention to the 5 changes to the risk assessments as highlighted in paragraph 7 of the report.

RESOLVED that the Committee note the content of version 5 of the Corporate Risk Register attached as Appendix A to the report.

14. OFFICE OF SURVEILLANCE COMMISSIONERS INSPECTION REPORT 2014

The Committee considered a report by the Director of Finance and Resources on the outcomes of a recent inspection by the Office of Surveillance Commissioners.

The Committee noted the extremely complimentary report received from the inspector, and noted that this was the third complementary report received in 3 consecutive inspections. Councillor Knight passed on his praise to the Head of Audit and Assurance for all of the hard work and co-operation that was provided to the inspector.

Members also discussed the option for additional training on RIPA (Regulatory of Investigatory Powers Act 2000), but many felt that it would be better to postpone the training until a further report on RIPA is brought to the Committee as it would be easier for members to put this into context.

RESOLVED that the Committee:-

- (a) note the content of the report; and
- (b) agreed to defer training on RIPA until another report on it is brought to the Committee.

(The meeting started at 6.00 pm
and ended at 6.57 pm).