

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 23 November 2015

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor T G Knight (Chairman)

Councillor G Fazackarley (Vice-Chairman)

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

**Also
Present:**



1. APOLOGIES

There were no apologies of absence.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee held on 21 September 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).

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 7 – Counter Fraud Progress Report as he is a Justice of the Peace for the South East Magistrates but ensures he doesn't adjudicate in cases within the Borough.

5. DEPUTATIONS

There were no deputations made at this meeting.

MATTERS CONSIDERED FOR CONFIRMATION

6. UPDATES TO THE CONSTITUTION

The Committee received a report from the Monitoring Officer proposing changes to Part 4: Section 2 of the Constitution - Standing Orders for the Appointment, Dismissal and Discipline of Employees, and Part 5: Section 1 – Code of Conduct for Members following a review undertaken by the Member Officer Working Group for Reviewing the Constitution.

RESOLVED that the Audit and Governance Committee recommends to Council;

- (a) that the updated Standing Orders for the Appointment, Dismissal and Discipline of Employees be adopted; and
- (b) the Code of Conduct for Members, as set out in Appendix B of the report, be adopted.

7. UPDATES TO FINANCIAL REGULATIONS

The Committee received a report from the Head of Finance and Audit to consider proposed changes to the Authorisation Limits set out in Financial

Regulation 4 and other minor amendments proposed to reflect recent departmental restructures and in order to comply with the Public Sector Internal Audit Standards.

Members sought clarification on paragraph 5 of the report, as they felt it was unclear as to which officers are able to perform write-offs. The Head of Finance and Audit confirmed that delegated authority to cancel debt had been changed to only include the relevant Head of Service as well as the Director. Members also requested that there should be transparency over the level of debts being written off by officers.

Members queried paragraph 9 of the report which suggested including a new rule in which Officers could approve individuals being given higher limits on their procurement cards where it could be demonstrated that it met a business need. However, there were no restrictions on what these increased limits could be. The Director of Finance and Resources suggested that the rule could stipulate that level should not exceed the maximum limit allowable for Procurement cards. Members agreed that this and the other measures already in place would be satisfactory.

During a discussion on this item it was suggested that, the wording within Appendix 1 relating to employee expenses should read, 'Claims shall not be submitted and authorised by the same person', in place of 'Claims should not be submitted and authorised by the same person',

RESOLVED that the Committee recommends the proposed changes to the Council for approval subject to the following amendments:

- i. that Regulation 19 also requires information regarding the level of write offs carried out under delegated powers to reported annually to the appropriate Committee or Panel for noting;
- ii. that Appendix 1 of the Financial Regulation 4 is reworded to clarify that an individual's transaction limit on a procurement card could only be increased up to the maximum allowable for procurement cards;
- iii. that Appendix 1 of the Financial Regulation 4 should be reworded to read that 'Claims *shall* not be submitted and authorised by the same person'.

DECISIONS MADE UNDER DELEGATED POWERS

8. COUNTER FRAUD PROGRESS

The Committee received a report from the Head of Finance and Audit on the latest work carried out to tackle Fraud and Corruption.

The Head of Finance and Audit highlighted paragraph 2 of the report giving details on the new Smartphone Counter Fraud App which gives customers an additional easy and secure way to report all types of fraud to the Council. The App has been used and seems to be working well.

She also confirmed that the exercise carried out on fraud did not find any cases of fraud. However a few system issues were identified which have been discussed with the service responsible for maintaining the database.

Members discussed the different risks associated with Right to Buy applications, including the need to safeguard the tenant from outside pressure to buy and then leave their home. At the Chairman's invitation, the Head of Finance and Audit confirmed that the proposal was that enhanced preliminary checks would be carried out on all applications looking at the different risks. However, the investigator would only be present at the second stage interview where the checks had given cause for concern.

RESOLVED that the Committee notes the content of the report.

9. ANNUAL AUDIT LETTER

The Committee considered a report by the Director of Finance and Resources on the Annual Audit Letter received from the External Auditors, Ernst and Young LLP.

RESOLVED that the Committee notes the content of the report.

10. TREASURY MANAGEMENT PROGRESS REPORTS

The Committee received a report by the Director of Finance and Resources on the progress being made with implementing the Treasury Management Strategy.

RESOLVED that the Committee notes the content of the report.

11. QUARTERLY AUDIT REPORTS

The Committee received a report from the Head of Finance and Audit that provided the assurances arising from the latest internal audit work and gave an update on the progress being made with the delivery of the audit plans.

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

12. REVIEW OF WORK PROGRAMME AND TRAINING PLAN

The Committee considered a report by the Head of Finance and Audit which reviewed the Committee's work programme and training plan.

The Chairman suggested that member training should be carried out on Treasury Management as highlighted during item 9.

RESOLVED that the Committee's work programme for 2015/16 is approved, subject to the inclusion of a Treasury Management training session.

(The meeting started at 6.00 pm
and ended at 7.42 pm).

