

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 23 July 2018

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor J E Butts (Chairman)

Councillors: I Bastable (deputising for S D Martin), P J Davies, T Davies,
Mrs T L Ellis, Mrs C Heneghan and J G Kelly

**Also
Present:**



1. APOLOGIES

An apology of absence was received from Councillor S D Martin.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee meeting held on the 12 March 2018 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcement –

Update on framework agreements (housing contracts)

Members may recall that following the Head of Finance and Audit's Annual report in July 2017, the Committee asked to receive an update on the actions being taken to put together the framework agreements for spend with contractors and suppliers used by Housing, Property and building Service, which at the moment is breaching Fareham Borough Council's Procurement Rules.

The Managing Director of Fareham Housing provided the Committee with an update, as follows -

Fareham Housing is seeking a single suitable contractor to carry out refurbishment of Fareham Borough Council's Housing stock in four categories of work. These are voids, reactive replacement kitchens and bathrooms; disabled adaptations; and other occasional reactive works.

The proposed Contract is to carry out the works using the National Housing Federation (Version 6) Specification in conjunction with bespoke schedules of rates and component rates.

The contract duration will be 5 years (3 + 1 + 1) with the anticipated start date of February 2019 following the full procurement process. The estimated value of the contract (full 5-year term) is £6.2m

UK / EU Public procurement legislation sets out the procedures by which the Council carries out procurement exercises. The Council uses the South-East Business Portal (SEBP) as its preferred method of sharing information about forthcoming tendering / contract opportunities.

The specification and tender documentation has been prepared by the Planned Maintenance section and the opportunity was advertised on the SEBP on 6 July and runs for 30 days in accordance with EU procurement legislation.

The tender will be run as a 'restricted' tender. The intention is to select up to 6 suppliers to receive a formal electronic invitation to tender. The short-list for tender process is a desk top exercise based upon the quality of information

provided by the Supplier in their Selection Questionnaire (SQ) response along with independent financial analysis.

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.

6. STATEMENT OF ACCOUNTS 2017/18

The Committee considered a report by the Director of Finance and Resources on the Statement of Accounts 2017/18.

In order to answer a question put to Officers by Members of the Committee during discussion on this item, a request was made for the meeting to go into private session as defined in Paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972.

RESOLVED that in accordance with the Local Government Act 1972 the Public and Press were excluded, as the Committee considered that it is not in the public interest to consider the matters in public on the grounds that they will involve the disclosure of exempt information, as defined in Paragraph 3 of Part 1 of the schedule 12A of the Local Government Act.

Following the answer being given to the satisfaction of the Chairman the meeting was brought back into public session.

RESOLVED that the Committee approve the audited Statement of Accounts for 2017/18, as attached in Appendix A to the report, for publication by the 31 July 2018, subject to the external auditors completing their outstanding procedures and any further amendments being agreed by the Director of Finance and Resources in consultation with the Chairman of the Audit and Governance Committee.

7. EXTERNAL AUDIT - AUDIT RESULTS REPORT

The Committee considered a report by the Director of Finance and Resources on the External Auditors' (Ernst & Young LLP) Annual Results.

The External Auditors addressed the Committee to deliver their report and took this opportunity to congratulate Officers on meeting the new deadlines set out in the Accounts and Audit Regulations 2015.

RESOLVED that: -

- (a) the Committee notes the contents of the Annual Results Report (Appendix A to the report); and

- (b) the Director of Finance and Resources and the Chairman of the Audit and Governance Committee sign the Letter of Representation, subject to the External Auditors completing their outstanding procedure and any further amendments to the accounts being agreed by the Director of Finance and Resources in consultation with the Chairman of the Audit and Governance Committee.

8. IPCO INSPECTION REPORT 2018

The Committee considered a report from the Head of Finance and Audit which reviews the inspection report received from the Investigatory Powers Commissioners Office (IPCO) 2018.

RESOLVED that the Committee notes: -

- (a) the content of the report; and
- (b) the action taken to provide up to date training to Officers.

9. ANNUAL COUNTER FRAUD REPORT

The Committee considered the Annual Counter Fraud Report by the Head of Finance and Audit.

RESOLVED that the Committee notes the contents of the report.

10. INTERNAL AUDIT PROGRESS REPORT

The Committee considered the latest Internal Audit Progress report from the Head of Finance and Audit.

RESOLVED that the Committee notes the contents of the report and the findings arising from the Internal Audit work.

11. HEAD OF AUDITS ANNUAL OPINION 2017/18

The Committee considered a report by the Head of Finance and Audit on the Head of Audit's Annual Opinion.

RESOLVED that the Committee notes the contents of the report as a source of evidence for the 2017/18 Annual Governance Statement.

12. ANNUAL GOVERNANCE STATEMENT 2017/18

The Committee considered a report by the Head of Finance and Audit on the 2017/18 Annual Government Statement.

RESOLVED that the Committee approve the Annual Governance Statement for 2017/18, as attached in Appendix C of the report with no changes required.

13. REVIEW OF WORK PROGRAMME

The Committee considered a report by the Head of Finance and Audit reviewing the Work Programme and Training Plan.

RESOLVED that the Committee approve the Work Programme for the rest of the municipal year, as shown in Appendix A of the report.

14. PROCUREMENT AND CONTRACT PROCEDURE RULES

The Committee considered a report from the Head of Democratic Service and the Head of Finance and Audit on updates to the Council's Contract Procedure Rules and how these updates improve the Council's procurement process.

RESOLVED that the Committee: -

- (a) agrees the Procurement and Contract Procedure Rules policy document, as attached as Appendix B to the report and recommends the adoption of the policy to Council for approval; and
- (b) recommends to Council that the budget expenditure authorisation limits in Financial Regulation 4 are changed to match the limits for awarding and signing contracts in the new Procurement and Contract Procurement Rules, as outlined in Appendix A to the report.

15. EXCLUSION OF PUBLIC AND PRESS

RESOLVED that in accordance with the Local Government Act 1972 the Public and Press be excluded from the remainder of the meeting, as the Committee considers that it is not in the public interest to consider the matters in public on the grounds that they will involve the disclosure of exempt information, as defined in Paragraph 3 of Part 1 of the schedule 12A of the Local Government Act.

16. UPDATE ON APPOINTMENT OF EXTERNAL AUDITORS FOR CERTIFICATION WORK

The Committee considered a report from the Director of Finance and Resources on the appointment of the External Auditors for the Council's certification work.

RESOLVED that the Committee notes the award of contract, by the Director of Finance and Resources, for the annual housing benefit subsidy claims certification work for three years with an option to extend for two years from 2018/19 to KPMG.

(The meeting started at 6.00 pm
and ended at 8.20 pm).