

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 22 July 2019

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor J E Butts (Chairman)

Councillor S D Martin (Vice-Chairman)

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

**Also
Present:**



1. APOLOGIES

An apology of absence was received from Councillor T L Ellis.

2. MINUTES

RESOLVED that the minutes of the Audit and Governance Committee meeting held on the 11 March 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

Councillor P J Davies declared a Pecuniary Interest in relation to item 7 – Statement of Accounts, in that he receives a pension through the Hampshire Pension Fund. He remained in the room for the duration of the item and took part in the debate.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. EXTERNAL AUDIT - AUDIT RESULTS REPORT

At the agreement of the Chairman this item was brought forward on the agenda to allow the Committee to consider this item prior to approving the Statement of Accounts.

At the agreement of the Chairman the recommendation was altered from the original report, to illustrate that the letter of representation was not signed until the Committee had considered item 7 – Statement of Accounts.

The Committee considered a report by the Deputy Chief Executive Officer on the External Auditors' (Ernst & Young LLP) annual results summarising findings from their audit of the 2018/19 Statement of Accounts.

RESOLVED that the Audit and Governance Committee noted the contents of the Annual Results Report (Appendix A).

7. STATEMENT OF ACCOUNTS

The Committee considered a report by the Deputy Chief Executive Officer on the Statement of Accounts for 2018/19.

Councillor P J Davies declared a Pecuniary Interest in this item as he receives a pension through the Hampshire Pension Fund. He remained in the room for the duration of the item and took part in the debate.

An updated version of Appendix A – Statement of Accounts was tabled at the meeting and is attached to these minutes. The changes are highlighted throughout the document and relate to the required changes to the provisions for the Local Government Pension Scheme following the McCloud judgement.

The Finance Manager addressed the Committee to run through the key issues and matters of interest set out in the covering report. The highlighted updates in the tabled – Statement of Accounts at Appendix A were explained in more details to the Committee and noted.

The Finance Manager addressed the Committee to run through the key issues and matters of interest. The updates to the Statement of Accounts were explained in more detail and the Committee were asked to note some of the figures in the main report would now be incorrect due to the last-minute updates highlighted in Appendix A.

RESOLVED that: -

- (a) the Committee approved the audited Statement of Accounts for 2018/19, as attached in Appendix A to the report, for publication by the 31 July 2019, subject to the external auditors completing their outstanding procedures and any further amendments being agreed by the Deputy Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee; and
- (b) the Deputy Chief Executive Officer and the Chairman of the Audit and Governance Committee sign the Letter of Representation at minute Item 6 – Appendix B, subject to the external auditors completing their outstanding procedures and any further amendments to the accounts being agreed by the Deputy Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee.

8. ANNUAL COUNTER FRAUD REPORT

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

RESOLVED that the Committee noted the contents of the report.

9. INTERNAL AUDIT PROGRESS REPORT

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

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

10. HEAD OF AUDITS ANNUAL OPINION

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

Members discussed the Dog Control audit regarding when it would no longer get a limited assurance opinion. The Head of Finance and Audit reassured the Committee that work is being carried out by the service, using a Vanguard approach, which it is hoped would allow the opinion to improve. It was agreed through the Chairman that if this audit was to remain limited after the changes to the service had been implemented, this matter would then be referred to the relevant Scrutiny Panel to investigate further.

Members agreed that further details on the actions taken to address Cyber security risks should be brought to the Committee to allow the Committee to perform its role in relation to information technology governance. It was agreed that this would be discussed at item 12 - Work Programme.

RESOLVED that the Committee noted the contents of the report as a source of evidence for the 2018/19 Annual Governance Statement.

11. ANNUAL GOVERNANCE STATEMENT

The Committee considered a report by the Head of Finance and Audit on the 2018/19 Annual Governance Statement.

Members discussed the wording in the last paragraph on page 226 relating to the Solent Airport (Daedalus). The Deputy Chief Executive Officer addressed the Committee to advise that the D-Day 75 Celebrations table top exercise and reference to the live exercise should in fact be separate points within the Annual Governance Statement and should be amended accordingly.

RESOLVED that the Committee: -

- (a) identified that a change in the last paragraph on page 226 relating to the Solent Airport (Daedalus) is required to separate the reference to the D-Day 75 table top exercise and the live exercise; and
- (b) following the above amendment being made, approved the Annual Governance Statement for 2018/19, as attached in Appendix C of the report.

12. REVIEW OF COMMITTEE WORK PROGRAMME

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

As agreed at item 10 – Head of Audits Annual opinion - Members agreed that a session on cyber risks and IT security should be provided within the work programme to allow the Committee to perform its role in relation to information technology governance. It was suggested that this would need to be a closed session but open to all members at the Chairman's invitation.

It was agreed that the item refreshing the Counter Fraud Policy and Strategy would be deferred to next year to make room for this session.

RESOLVED that the Committee, with the addition of an item on Cyber Security being added to the work programme, approved the work programme for the rest of the municipal year, as shown at Appendix A to the report.

(The meeting started at 6.00 pm
and ended at 7.57 pm).