

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 23 November 2020

Venue: Microsoft Teams Virtual Meeting

PRESENT:

Councillor J E Butts (Chairman)

Councillor S D Martin (Vice-Chairman)

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

**Also
Present:**



1. APOLOGIES

An apology of absence was received from Councillor S Cunningham.

2. MINUTES

RESOLVED that the Minutes of the Audit and Governance Committee meeting held on the 19 October 2020 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements made by the Chairman at this meeting.

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. ANNUAL OMBUDSMAN REPORTS AND OVERVIEW OF COMPLAINTS AGAINST MEMBERS

The Committee considered a report by the Director of Leisure and Community on the Annual Ombudsman Report and Overview of Complaints Against Members.

RESOLVED that the Audit and Governance Committee noted the content of the report.

7. PARTNERSHIP GOVERNANCE REPORT

The Committee considered a report by the Director of Leisure and Community on the Council's Partnership Governance.

In order to answer questions and discuss the exempt information held within confidential appendix A of the report, 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, by way of temporarily stopping the live stream of the virtual meeting, in order to allow the Committee to discuss the exempt information within confidential appendix A, as defined in Paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972.

Following the discussions held in private session to the satisfaction of the Chairman, the meeting was brought back into public session and the live stream was continued.

RESOLVED that the Audit and Governance Committee:-

- (a) noted the contents of the report;
- (b) concluded there were no requests for further information or clarification on Significant Partnerships due to Members having concerns over the governance arrangements in place; and
- (c) will receive an annual update as a mechanism for ensuring partnerships have appropriate governance measures in place.

8. EXTERNAL AUDIT RESULTS REPORT

The Committee considered a report by the Deputy Chief Executive Officer on the External Auditors Results Report.

An updated version of Appendix A to the report – External Audit Results Report was tabled at the meeting and is appended to these Minutes.

RESOLVED that the: -

- (a) the Audit and Governance Committee noted the contents of the draft Annual Results Report (Tabled - Appendix A);
- (b) the Audit and Governance Committee approved the following rationale for the following two unadjusted audit differences in the financial statements, which will be included in the letter of representation:

We have not corrected these differences identified by and brought to the attention from the auditor because:

- *For the Pension Fund, the audit difference of £891,000 in relation to the Fair Value of plan assets is not material in relation to the net pension fund liability on the balance sheet of £62.3 million.*
 - *For Investment Property valuations, the net audit difference of £578,000 is not material in relation to the total Investment value of £64.1 million.*
- and

- (c) the Deputy Chief Executive Officer and the Chairman of the Audit and Governance Committee would sign the Letter of Representation, subject to the external auditors completing their outstanding procedures and any further amendments to the accounts, or the Letter of Representation, being agreed by the Deputy Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee.

9. STATEMENT OF ACCOUNTS

The Committee considered a report by the Deputy Chief Executive Officer on the audited Statement of Accounts 2019/20.

An updated version of Appendix A to the report -Statement of Accounts was tabled at the meeting and has been appended to these Minutes.

The Finance Manager addressed the Committee to advise that due to the updates to the Statement of Accounts some of the figures contained within the covering report had also now changed. The Finance Manager explained that the Committees role is to review the accounting policies within the Statement of Accounts rather than the content itself, advising that a full list of amendments was available on request.

RESOLVED that the Audit and Governance Committee approved the audited Statement of Accounts for 2019/20, at Tabled - Appendix A, for publication, subject to the external auditors completing their outstanding procedures and any further amendments being agreed by Deputy Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee.

10. TREASURY MANAGEMENT PROGRESS REPORT

The Committee considered a report by the Deputy Chief Executive Officer on the Treasury Management Progress Report.

RESOLVED that the Audit and Governance Committee: -

(a) reviewed the contents of the report; and

(b) provided comments in terms of the effectiveness of the treasury management strategy.

11. ANNUAL CONSTITUTION REVIEW

The Committee considered a report by the Monitoring Officer on the Committee's Annual Review of the Council's Constitution.

RESOLVED that the Audit and Governance Committee noted the contents of the report.

12. INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report by the Head of Finance and Audit on the Internal Audit progress for 2020/21.

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

13. REVIEW OF WORK PROGRAMME

The Committee considered a report by the Head of Finance and Audit setting out the latest work programme for the Committee.

RESOLVED that the Audit and Governance Committee approved the work programme for the rest of the municipal year, as shown in Appendix A to this report.

(The meeting started at 6.00 pm
and ended at 7.55 pm).