

# FAREHAM

BOROUGH COUNCIL

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

**Date:** Monday, 22 November 2021

**Venue:** Collingwood Room - Civic Offices

**PRESENT:**

**Councillor** Mrs T L Ellis (Chairman)

**Councillors:** G Fazackarley, G Kelly and S Dugan (deputising for S D Martin)

**Also  
Present:**



## **1. APOLOGIES**

Apologies of absence were received from Councillors S D Martin, T Davies, P Davies and N Gregory.

In the absence of both the Chairman and Vice-Chairman, Members of the Committee present appointed Councillor T L Ellis as Chairman for this meeting.

## **2. MINUTES**

RESOLVED that the Minutes from the Audit and Governance Committee held on the 27 September 2021 be signed and agreed as a correct record.

## **3. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcement regarding the Internal Audit Partnership –

In March 2017 the Committee approved the development of a partnership with Portsmouth City Council for the provision of the internal audit work.

The Committee delegated authority to the Head of Finance and Audit, in consultation with the Section 151 Officer, to enter into arrangements as necessary to develop this partnership.

A review of the partnership performance is carried out every year and has proved very successful. It costs between £50,000 and £60,000 a year and has achieved savings on previous years.

The contract for the partnership is now nearing the end of the first 5 years of the contract. Officers have reviewed the arrangements, in consultation with the partners, and both parties are happy to continue with this arrangement for a further 5 years as allowable under the contract terms.

## **4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS**

There were no declarations of interest made at the meeting.

## **5. DEPUTATIONS**

There were no deputations received at this meeting.

## **6. TREASURY MANAGEMENT STRATEGY AND INDICATORS**

The Committee received a report by the Deputy Chief Executive Officer on the Council's Treasury Management Strategy and Indicators. The report provided the Committee an opportunity to scrutinise the implementation of the strategy which was approved by Council on the 25 February 2021.

Members referred to paragraph 78 of the strategy and asked that refresher treasury management training for Members be carried out in the near future to support Members of the Committee in their scrutiny role.

RESOLVED that the Audit and Governance Committee: -

- (a) reviewed the contents of the report;
- (b) asked that refresher treasury management training for Members be carried out in the near future; and
- (c) provided comments in terms of the effectiveness of the treasury management strategy.

## **7. RISK MANAGEMENT MONITORING REPORTS**

The Committee received a report by the Head of Finance and Audit containing the latest evidence compiled to demonstrate compliance with the Council's Risk Management Policy. It was explained to the Committee that this was usually a 6-monthly report which had been put on-hold for 18 months during the pandemic response. It was also explained that the next report will be different and will contain a reduced amount of detail about the Council's risks and focus more on the assurances gained from the Risk Management discussions. Members were reassured that the process itself will not change, just the way in which it is presented to the Committee.

RESOLVED that the Audit and Governance Committee reviewed the report as a source of evidence that the current Risk Management Policy is operating in practice.

## **8. PREVENTION OF FACILITATION OF TAX EVASION**

The Committee received a report by the Deputy Chief Executive Officer on the Prevention of Facilitation of Tax Evasion. The Prevention of the Facilitation of Tax Evasion Policy 2021 has been developed as part of an action plan to help demonstrate the Council's commitment to prevent the facilitation of tax evasion.

RESOLVED that the Audit and Governance Committee approve and endorse the Prevention of the Facilitation of Tax Evasion Policy, attached as Appendix A to the report.

## **9. INTERNAL AUDIT PROGRESS REPORT**

The Committee received the latest Internal Audit Progress Report from the Head of Finance and Audit. Mark Somerset, Audit Manager from the internal audit partnership at Portsmouth City Council addressed the Committee to advise that the internal audit work is in a strong position. He explained that many of the operational issues which had been causing delays with the audit plan are now resolved and he is confident that the work would be completed for 2021/22 on time.

The Chairman asked, in relation to the Accounts Payable audit, if the new process for authorising invoices had strengthened the assurance opinion. The Head of Finance and Audit explained that the new process, which had been introduced during the Covid-19 Pandemic allowing authorisations to be made via email, does strengthen assurances due to the written audit trail and the

removal of signatures in the process. Members of the Committee asked that it be noted as a positive outcome of the new ways of working.

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

## **10. ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS**

The Committee received a report by the Deputy Chief Executive Officer on the arrangements for appointment of the next external auditors. It was explained to the Committee that there is a lot of work being carried out nationally to strengthen the external auditor market and arrangements. However, this is true for all the options available to appoint the next external auditors and opting into the Public Sector Audit Appointments (PSAA) scheme is still the preferred approach to achieve an appointment in terms of both cost and quality of service.

Members of the Committee enquired about the fees for variations which had caused concern in the past. The Deputy Chief Executive Officer reassured Members that this is part of ongoing discussions with PSAA and officers will continue to monitor the scale fees and what this includes closely.

RESOLVED that the Audit and Governance Committee recommend to Council that the Council accepts Public Sector Audit Appointments (PSAA) invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2023.

## **11. REVIEW OF WORK PROGRAMME**

The Committee received a report by the Monitoring Officer seeking approval of the Committees Work Programme for the rest of the municipal year.

The Head of Finance and Audit highlighted to Members that an additional meeting on the 17 January 2022 had been scheduled. The reason for this is to allow the Committee to consider the External Audit Results report sooner and to accommodate other reports that have been delayed or added to the schedule.

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

(The meeting started at 6.00 pm  
and ended at 7.13 pm).