

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 14 March 2022

Venue: Council Chamber - Civic Offices

PRESENT:

Councillor T Davies (Chairman)

Councillor S D Martin (Vice-Chairman)

Councillors: P J Davies, Mrs T L Ellis, N R Gregory and L Keeble (deputising for G Fazackarley)

**Also
Present:**



1. APOLOGIES

Apologies of absence were received from Councillors, G Fazackarley and G Kelly.

2. MINUTES

RESOLVED that the Minutes from the Audit and Governance Committee held on the 22 November 2022 be signed and agreed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcements –

Arrangements for Appointment of External Auditors

The Committee will remember that at our last meeting we discussed the options open to us for the appointment of the external auditors for the next contract term commencing on 1 April 2023.

I can confirm that our recommendation to accept Public Sector Audit Appointments (PSAA) invitation to 'opt in' to the sector led option, was endorsed by Full Council in December. Officers have therefore now informed PSAA of this decision.

Inspection by the Investigatory Powers Commissioner's Office (IPCO)

During 2021/22 IPCO have been carrying out an inspection of the Council's use of powers available to them for fraud investigations under the Regulation of Investigatory Powers Act 2000 (RIPA). This was a routine inspection which is carried out every 3 years. The inspection has now been completed and the Council have received the final report from the Investigatory Powers Commissioner. The report has concluded the level of compliance demonstrated by the Council does not require IPCO to carry out a physical visit, and there were no recommendations arising.

The Committee will be aware from the information it receives each year in the Annual Counter Fraud Report that the Council mainly uses these powers for the prevention and detection of fraud in relation to Council Tax Support claims and the provision of Council Housing. The inspection process can give the Committee assurance that whilst the Council is not shying away from using these powers to combat fraud they are only used sparingly and in a legal and proportionate way.

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. EXTERNAL AUDITOR'S AUDIT RESULTS REPORT

The Committee received a report by the Deputy Chief Executive Officer asking Members to consider the External Auditor's Audit Results which summarises the findings from the audit of the 2020/21 accounts.

Kevin Suter from Ernst and Young addressed the Panel to advise that although the Council's audit is on schedule to be completed within weeks, he will not be in a position to certify his opinion until July 2022. The National Audit Office is in the process of finalising the current procedures around the whole government accounts and until this is complete auditors nationally are not able to complete their opinions. It was explained that this is a national delay and will affect all Local Authorities.

Members of the Committee asked for clarification that the date on the first line of page 16 of the agenda pack is incorrect as it reads 31 March 2020. Ernst and Young confirmed that this was an error, and the date should in fact read 31 March 2021.

RESOLVED that: -

- (a) the Audit and Governance Committee notes the contents of the Audit Results Report (Appendix A); and
- (b) the Deputy Chief Executive Officer and the Chairman of the Audit and Governance Committee signed 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.

7. ANNUAL CERTIFICATION REPORT

The Committee received a report from the Head of Housing and Benefits which presents the findings from the Housing and Benefits Subsidy Certification work carried out by External Auditors KPMG LLP for 2020/21.

RESOLVED that the Audit and Governance Committee: -

- a) consider the findings of the Annual Certification Report 2020/21 submitted to the Department for Work and Pensions by the Council's external auditors; and
- b) comment on the findings as appropriate.

8. RISK MANAGEMENT MONITORING REPORT

The Committee received the six-monthly report from the Head of Finance and Audit on Risk Management monitoring.

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

9. TREASURY MANAGEMENT STRATEGY AND INDICATORS

The Committee received a report by the Deputy Chief Executive Officer on the annual Treasury Management Strategy.

Councillor S Martin left the meeting during discussions on this item.

RESOLVED that the Committee note the Treasury Management Strategy and Prudential Indicators for 2022/23, attached as Appendix A to the report.

10. INTERNAL AUDIT PROGRESS REPORT

The Committee received a report by the Head of Finance and Audit updating Members on the delivery and findings from the Internal Audit Plan of work.

The Head of Finance and Audit explained to Members that the Audit Plan had been affected by the additional work required to support the Covid business grants processes and some staff vacancies and sickness. This additional work has provided challenges but she and the internal audit colleagues at Portsmouth City Council are happy with the progress being made and are both confident that enough work will have been completed to support the annual Head of Audit's opinion.

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

11. REVIEW OF MEMBERS TRAINING AND DEVELOPMENT PROGRAMME

The Committee received a report by the Head of Democratic Services on the Review of Members' Training and Development Programme.

Members of the Committee asked that an additional training session be added to the schedule for the 2022/23 municipal year, specifically for the Audit and Governance Committee. Both the Planning and Licensing & Regulatory Affairs Committees have specific training sessions and both Officers and Members agreed that this Committee would benefit from a training session before the first meeting of the municipal year due to the complex nature of some of the items on the work programme.

The Committee asked if Officers could explore the option of recording training sessions and these being made available to Members and it was confirmed that Officers will explore how this could be achieved.

RESOLVED that the Audit and Governance Committee-

- (a) notes the Schedule of Training and Development for 2020/21 at Appendix A;
- (b) notes the contents of the member's training and development schedule for 2021/22, at Appendix B;

- (c) asked that a training session for the Audit and Governance Committee be added to the draft training programme for the municipal year 2022/23, at Appendix C; and
- (d) notes the draft New Members' Induction Booklet 2022 as set out in Appendix D.

12. ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

The Committee received an annual report by the Monitoring Officer on the work of the Audit and Governance Committee.

RESOLVED that the Audit and Governance Committee: -

- a) notes the contents of the report;
- b) confirms that there are no issues arising from the review of the Statement of Accounts and subsequent external audit report, at the same meeting, that the Committee feel need to be brought to the attention of the Council; and
- c) submits the revised work programme for 2022/23, as shown in Appendix C, to Council for endorsement.

(The meeting started at 6.00 pm
and ended at 7.02 pm).