

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 23 September 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor R N Bird (Chairman)

Councillor Miss T Harper (Vice-Chairman)

Councillors: F L Burgess, Mrs T L Ellis, D G Foot, D J Hamilton and
P W Whittle

**Also
Present:**



1. APOLOGIES

There were no apologies received at this meeting.

2. MINUTES

Members of the Committee asked if officer attendance, in particular officers from Ernst & Young LLP (EY), be marked as in attendance within the Minutes. It was confirmed that Officers from EY should be named at the relevant Minute item therefore the Minutes from the last meeting would be amended to reflect Tom Wilkins attendance at item 6.

Members also highlighted that the Chairman's announcement from the last meeting did not reflect what was said at the meeting due to the lack of quotation marks. It was agreed that quotation marks would be added to the Chairman's announcement to assist in clarifying what was said by the Chairman and Tom Wilkins at the meeting.

Members also requested an update on the actions from the previous meeting which were provided from the officers present.

RESOLVED that with the addition of the amendments above, the Minutes of the Audit and Governance Committee meeting held on the 18 July 2024 be signed and agreed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcement: -

I am booked to attend some training sessions run by the Institute of Chartered Accountants in England & Wales which focus on the purpose and operation of Audit Committees. I will provide an update to Members at the next meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

Councillor P Whittle declared a non-pecuniary interest for item 8 - Review of the Procurement and Contract Procedure Rules, as he is a qualified Chartered Contract Management Professional.

5. DEPUTATIONS

No deputations were made at this meeting.

6. COMPLAINTS HANDLING

The Committee received a report by the Assistant Director (Democracy) providing details on the Council's new Complaints Handling policy and processes since implementation earlier this year.

Councillor P Whittle advised that he would be attending the Local Government Association (LGA) conference next month and asked if there was any

feedback from Officers on the new complaints handling policy. Officers explained that, although it is still early days with the policy only being implemented in April this year, two themes that are clear at this time are, the new process is very resource intensive and can be too formal for some smaller complaints.

RESOLVED that the Audit and Governance Committee:

- a) notes the contents of this report;
- b) notes the 2024 Interim Annual self-assessment to the Housing Ombudsman attached at Appendix A; and
- c) notes the annual report of the Council's performance from the Ombudsman as linked at paragraph 27.

7. HOUSING ANNUAL COMPLAINTS PERFORMANCE & SERVICE IMPROVEMENT 2023/24

The Committee received a report from the Director of Housing providing an insight and analysis of the Fareham Housing Complaints.

Members of the Committee discussed the report and asked questions for clarification around the response times and impact on resources within the Fareham Housing Team. Members noted the Complaints Performance and Service Improvement Report at appendix 1, highlighting the positive culture around complaints handling and the marked improvement in response times for 2024/25.

RESOLVED that the Audit and Governance Committee: -

- a) note the content of the 2023/24 Complaints Performance and Service Improvement Report (at Appendix 1), which relates to Fareham Housing; and
- b) ask that the response to the report above be published on the Council's website and made available to the Housing Ombudsman.

8. REVIEW OF PROCUREMENT AND CONTRACT PROCEDURE RULES

The Committee received a report from the Assistant Director (Finance & ICT) providing detail on the recent review and subsequent changes to the Council's Procurement and Contract Procedure Rules.

The Strategic Procurement Specialist addressed the Committee to confirm that since publication of the report, the implementation date for the new Procurement Act 2023, has been put back to February 2025.

Members asked several questions to gain greater understanding on the various updates highlighted within the report and queried areas such as SME tracking, contract performance monitoring and the due diligence in place to avoid threshold levels being broken.

The Committee also asked that some additional wording be added to the table at paragraph 56 of Appendix 1, in order to mirror the narrative at Appendix M. This will provide clarification that the Executive is required to make a decision on awards of contracts with values over £500k if within the Council's budget & policy framework. Council will only be required to take a decision if 'outside' of Council's budget or policy framework, or for responsibilities that require Council approval.

RESOLVED that the Audit and Governance Committee:-

- a) reviews and comments on the contents of this report;
- b) ask that Council endorse the revised Procurement and Contract Procedure Rules attached at Appendix 1 to be implemented on the same date that the Procurement Act 2023 goes live; and
- c) supports the request that Council grants delegated authority to the Assistant Director (Finance and ICT) to update the Appendices to the Procurement and Contract Procedure Rules as subsequent changes needed are identified, including the additional wording to be added to paragraph 56 to clarify when Council is required to take a decision over £500k.

9. CHIEF INTERNAL AUDITORS QUARTERLY REPORT

The Committee received the Chief Internal Auditor Quarterly Report which provided an update on the progress of the internal audit plans since the last meeting.

Members of the Committee discussed in detail the relationship between the recommendations made and the assurance opinion given, with officers clarifying procedures and how these are outlined within the Internal Audit Strategy. It was agreed that in future the report will make clear the type of audit assignment completed which would influence if an audit opinion would be expected. It was also agreed that when concerns are raised from members on the number of recommendations made, that these audits will be followed up and be included in a future report to provide an update to the Committee.

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

10. RISK MANAGEMENT MONITORING REPORT

The Committee received a report from the Assistant Director (Finance and ICT) on the latest Risk Management Monitoring Report.

Members commented on the new style of the report conveying their increased reassurance in the refreshingly open approach.

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.

11. STATEMENT OF ACCOUNTS 2023/24

The Committee received a report from the Assistant Director (Finance and ICT) on the Council's Statement of Accounts (SoA) for 2023/24.

The Committee discussed the draft SoA in detail and asked several questions for clarification to provide a better understanding of the detail included and why some figures may be higher or lower than expected. Officers explained that the document is a snapshot of the Council finances and various factors can influence the figures captured in the draft document. Members of the Committee asked that where figures are higher than previous years, that narrative be provided to explain the reasons for these fluctuations where appropriate. An example was given at Note 22 Short Term Creditors on page 64, where the central government bodies figure for this year is significantly higher than in 2022/23. Officers explained that this is due to the Nitrate Mitigation Grant Funds received from central government as this must be repaid if not used by the end of this financial year. Members also requested that Officers check the figures given in Note 5.

A number of other small grammatical and typographical errors were highlighted by Members of the Committee and the Chairman welcomed any further amendments to be sent to Officers to assist in finalising the document prior to publication.

Members of the Committee expressed concerns over the wording of the recommendation and asked that the word 'approves' be changed to 'accept' as the SoA is in draft form at this time and therefore would not be appropriate for the Committee to approve. They also reiterated that they would not expect there to be any signatures on the document at this stage when it is published on the Council's website.

RESOLVED that the Audit and Governance Committee accept the unaudited Statement of Accounts for 2023/24, attached as Appendix A to the report, for publication by 30 September 2024.

12. COMMITTEE REPORT

Members received the Committee Report by the Monitoring Officer and Assistant Director (Finance and ICT) which provided a variety of assurances which are within the functions of the Committee but do not require a full report in their own right.

RESOLVED that the Audit and Governance Committee:-

- a) note the contents of Part One of the report for information; and
- b) consider the amendments to the Constitution as set out in Part Two of the report.

(The meeting started at 6.00 pm
and ended at 7.43 pm).

..... Chairman

..... Date