

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 11 March 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Ms F Burgess (Chairman)

Councillor R Bird (Vice-Chairman)

Councillors: Mrs T L Ellis, H P Davis, N R Gregory, D J Hamilton and
S D Martin

**Also
Present:**



1. APOLOGIES

No apologies were received at the meeting.

2. MINUTES

RESOLVED that the Minutes of the Audit and Governance Committee meeting held on the 27 November 2024 be signed and confirmed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements made by the Chairman.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

No declarations of interest were made at the meeting.

5. DEPUTATIONS

No deputations were received at the meeting.

6. EXTERNAL AUDIT - CERTIFICATION REPORT

The Committee received a report from the Assistant Director (Finance and ICT) which presented the findings from the Housing Benefit Subsidy Certification work carried out by External Auditors (EY LLP) in respect of 2021/22.

RESOLVED that the Audit and Governance Committee: -

- a) consider the findings of the Annual Certification Report 2021/22 submitted to the Department for Works and Pensions by the Council's external auditors; and
- b) comment on the findings as appropriate.

7. EXTERNAL AUDIT - VALUE FOR MONEY REPORT

The Committee received a report from the Ernst and Young LLP asking them to consider the External Auditor's Value for Money Interim Report, summarising the findings from the work completed to date on the 2022/23 accounts.

RESOLVED that the Audit and Governance Committee notes the contents of the Value for Money Interim Report at Appendix A to the report.

8. EXTERNAL AUDIT - AUDIT UPDATE

The Committee received the External Auditor's Audit Update Report, summarising the proposals for the delivery of the audits of the 2022/23 and 2023/24 accounts, following the launch of the national consultation from the

Department of Levelling Up, Housing and Communities. Ben Lazarus from Ernst & Young presented the update to the Committee.

Members thanked Ben for the update and asked questions for clarification on several elements. Concerns were raised over the negative public perception to the Council receiving a disclaimed opinion. Ben reassured Members although far from ideal, this was not a local issue and if a disclaimed opinion was issued for 2022/23 then a significant number of authorities would be in a similar situation, including a significant number of their clients. Ben advised that although Members are right to raise concerns, a great deal of work is needed by Government to finalise a clear procedure for auditors to follow and Fareham Borough Council remains in a good position which should reassure Members at this stage. Ben also advised some of the steps their firm has been taking to reduce the likelihood of similar delays occurring going forward.

RESOLVED that the Audit and Governance Committee notes the contents of the Audit update report.

9. MEMBER TRAINING PROGRAMME

The Committee received a report by the Assistant Director (Democracy) on a review of the Member Training Programme.

Members of the Committee put forward a number of items for inclusion in the programme that Officers will investigate moving forward.

It was also suggested that as well as the mandatory training for Members of the Planning Committee each year, that an additional session be held for all Members to better understand the Planning process, as a great deal of resident queries received by Members relates to Planning matters. Officers agreed that this would be added to the programme.

RESOLVED It is recommended that the Audit and Governance Committee:-

- a) notes the content of this report;
- b) recommends an additional training session be held for all Members to better understand the Planning process to be added to the draft Programme at Appendix A; and
- c) approves the draft Elected Member Training Programme at Appendix A with the addition of the recommendation at point b).

10. TREASURY MANAGEMENT STRATEGY

The Committee received a report from the Chief Executive Officer on the Treasury Management Strategy that was approved by Council on the 23 February 2023.

Members of the Committee put forward relevant questions in relation to the Council's investment and borrowing activity which were answered in the meeting.

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

RESOLVED that the Audit and Governance Committee note the Treasury Management Strategy and Prudential Indicators for 2024/25, attached as Appendix A to the report.

11. ANNUAL REVIEW OF THE AUDIT AND GOVERNANCE COMMITTEE

The Committee received a report from the Assistant Director (Finance & ICT) on the Draft Annual Review of the Audit and Governance Committee which provided Members with an opportunity to review its activities during 2023/25.

Members were asked to consider any amendments to the draft report before being finalised and brought to Council for endorsement. It was suggested, following discussions surrounding the information in Appendix A, that some commentary be included that explains the meanings behind the 'frequency' column and the use of 'as needed'. Some of this is governed by legislation or CIPFA guidelines which would be useful to highlight to Members by way of an explanation. Officers will ensure that this detail be added to the final report before being considered at Council.

RESOLVED that the Audit and Governance Committee: -

- a) considered the contents of the annual review;
- b) suggest that commentary be included within the report that explains the meanings behind the 'frequency' column; and
- c) submit a final version of the report to Council.

12. MONITORING OFFICER REPORT

The Committee received a report from the Monitoring Officer which included the annual review of the Constitution, the Committees Work Programme and a change to Part Seven of the Constitution.

RESOLVED that the Audit and Governance Committee: -

- a) notes the contents of Part One of the report;
- b) considered the Committee Work Programme for 2024/25 for endorsement by Council; and
- c) consider the changes to the Constitution – Part Seven – Senior Management Structure for endorsement by Council.

13. RISK MANAGEMENT MONITORING REPORT

The Committee received the six-monthly Risk Management Monitoring Report from the Assistant Director (Finance & ICT).

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

14. HEAD OF INTERNAL AUDITS QUARTERLY REPORT AND ANNUAL PLAN

The Committee received the Head of Internal Audits Quarterly Report and Annual Plan from the Assistant Director (Finance & ICT).

RESOLVED that the Audit and Governance Committee:-

- a) notes the progress and findings arising from Internal Audit work; and
- b) approves the proposed full plan for the 2024/25 audit year as set out in Appendix Three.

(The meeting started at 6.00 pm
and ended at 7.42 pm).

..... Chairman

..... Date