

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 22 September 2014

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor T G Knight (Chairman)

Councillor L Keeble (Vice-Chairman)

Councillors: P J Davies, Miss T G Harper, D L Steadman, P W Whittle, JP
and N R Gregory

**Also
Present:**



1. APOLOGIES

There were no apologies of absence.

2. MINUTES

The Chairman addressed the Committee on this item and requested an update from the Head of Democratic Services on item 12 of the previous minutes – Review of Members Training & Development and Determination of Programme. The Head of Democratic Services confirmed that discussions have been held with the ICT department regarding how members will be able to access the training directory. Once in place, training will be provided to all members on how to access and use the directory.

RESOLVED that the minutes of the meeting of the Audit and Governance Committee held on 23 June 2014 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed to the meeting Kate Handy and Martin Young from Ernst & Young (External Auditors).

The Chairman advised that in accordance with the recent set legislation, members of the public and press are able to audio and video record all meetings held in public by Fareham Borough Council.

The Chairman confirmed that there had been no requests to film any part of the meeting, however, stated that should any members of the public or press wish to do so, they must respect the wishes of other members of the public present who do not wish to be filmed.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

5. DEPUTATIONS

There were no deputations made at this meeting.

MATTERS SUBMITTED FOR CONFIRMATION

6. UPDATE TO STANDING ORDERS FOLLOWING THE OPENNESS OF LOCAL GOVERNMENT BODIES REGULATIONS 2014

The Committee considered a report by the Monitoring Officer on an update to Standing Orders following the Openness of Local Government Bodies Regulations 2014.

Members discussed this item at length and agreed that wording for the Standing Order 59.3 should read 'The Mayor or Chairman of the meeting will have absolute discretion to terminate or suspend filming/recording of the meeting, if in their opinion, continuing to do so would prejudice or disrupt proceedings at the meeting'.

RESOLVED that the Committee:-

- a) recommends to Council, subject to the amendment of wording to Standing Order 59.3 above, that the updates to Part Four of the Constitution – Standing Orders with Respect to Meetings, as detailed in paragraph 8 of the report be approved; and
- b) recommends to Council that the draft protocol on the recording of public meetings, as set out in Appendix A to the report, be approved and that the Monitoring Officer be delegated authority to update the protocol to meet operational needs.

DECISIONS MADE UNDER DELEGATED POWERS

7. OVERVIEW OF COMPLAINTS AGAINST THE COUNCIL

The Committee considered a report by the Director of Finance and Resources on an overview of complaints against the Council.

Members debated this item at length and several of them expressed concern over the length of time it had taken for the breach of the member's code of conduct, as set out in paragraphs 18-21 of the report, to have been reported to the Committee. Members were advised that the report is an annual report to the Committee which is why it has been reported to the Committee at this meeting. Councillor Whittle asked that for future breaches of the code of conduct be reported to the earliest meeting of the Audit and Governance Committee.

Members also questioned why the Committee were not asked to form a Sub-Committee to deal with the breach of the Code of Conduct. The Solicitor to the Council addressed the Committee on this item and advised members that the breach had been dealt with in accordance with the Council's complaints procedure and Government legislation. He confirmed that he was satisfied with the outcome of the investigation and in the way in which it was handled by the Council.

RESOLVED that the Committee:

- a) notes the content of the report; and
- b) requests that any future breaches to the Members Code of Conduct be reported to the Audit and Governance Committee at the earliest opportunity.

8. STATEMENT OF ACCOUNTS

The Committee considered a report by the Director of Finance and Resources on the Statement of Accounts.

The Committee received a short presentation from the Finance Strategy and Development Manager, which gave a breakdown of the accounts in more simple terms to assist Members with their understanding of the report. Members were also circulated amended figures to Appendix A of the report, for page 69 Operating Leases. Members were informed that the most significant changes to the accounts were regarding the new Business rates Retention Scheme and the new Pensions Accounting Standard.

RESOLVED that the Statement of Accounts for 2013/14, attached as Appendix A, be approved and published by 30 September 2014.

9. ANNUAL GOVERNANCE STATEMENT

The Committee considered a report by the Director of Finance and Resources on the Annual Governance Statement.

Councillor Whittle addressed the Committee on this item and commented on the fact that the Annual Governance Statement had already been pre-signed prior to the meeting and therefore not allowing for the Committee to comment on the documents. The Director of Finance and Resources addressed members to assure them any changes that they identified would be made prior to the final document being published with the Statement of Accounts.

Members requested that in future to promote openness and transparency to the public, no documents awaiting approval will be presented to the Committee pre-signed.

Councillor Keeble requested that a link to where the monthly budgetary control information is published be circulated to Members for future reference and included in the Financial Management section of the Statement this year.

RESOLVED that the Annual Governance Statement for 2013/14, subject to the proposed amendment above, as attached as Appendix C to the report, be approved.

10. EXTERNAL AUDIT ANNUAL RESULTS REPORT 2013/14

The Committee considered a report by the Director of Finance and Resources on the External Audit Annual Results Report 2013/14.

The report was presented by Kate Handy and Martin Young from Ernst and Young (External Auditors). A letter of representation was circulated to members, during this item.

Councillor Whittle enquired as to whether the uncommented misstatements had taken into account the revised figure circulated earlier for the Statement of Accounts. Kate Handy addressed the Committee to confirm that they were already aware of the correction to the Statement of Accounts.

Members were asked to note and agree the contents of the letter of representation which was circulated to them at the meeting.

RESOLVED that the Committee:-

- a) notes the contents of the Annual Governance report, as set out in Appendix A to the report; and
- b) notes and agrees to the letter of representation, circulated to them during the meeting, attached as appendix A to these minutes.

11. EXTERNAL AUDIT ANNUAL FEE LETTER 2014/15

The Committee considered a report by the Director of Finance and Resources on the External Audit Annual Fee Letter 2014/15.

The report was presented by Kate Handy of Ernst and Young (External Auditors) and took questions from members.

RESOLVED that the Committee approves the fees proposed for the External Audit coverage in 2014/15.

12. CORPORATE RISK REGISTER UPDATE

The Committee considered a report by the Director of Finance and Resources on an update of the Corporate Risk Register.

Councillor Keeble addressed the Committee to inform them that he had sought assurance from the CX management team that Risk Managers were not being overloaded with the amount of work that has been assigned to them.

RESOLVED that the content of version 4 of the Corporate Risk Register, attached as Appendix A to the report, be noted.

13. REVIEW OF COMMITTEE WORK PROGRAMME

The Committee considered a report by the Director of Finance and Resources on the Committee's current work programme.

Councillor Knight requested that a training session on the Annual Governance Statement be included onto the Committee's Work Programme.

Councillor Whittle expressed concern over the amount of reports that are scheduled for the November meeting. The Chairman addressed the Committee to inform them that this issue had been raised previously and it was felt that the all of the reports scheduled in the Work Programme are necessary and therefore the Work Programme should not be reduced. The Director of Finance and Resources informed members that he would look into the issue and try to find ways in which the workload could be reduced.

RESOLVED that, subject to the inclusion of the addition of a member training session on the Annual Governance Statement, the work programme for the rest of the year, as set out in Appendix A to the report, be approved.

14. QUARTERLY AUDIT REPORT

The Panel received a report by the Director of Finance and Resources on the Quarterly Audit report.

At the agreement of the Chairman this item was moved to the end of the agenda.

The report was presented by the Head of Audit and Assurance, who took questions from members.

Councillor Whittle asked as if the services which are currently being reviewed under the Council's Vanguard intervention are being audited as they are making significant changes to working practices. The Head of Audit and Assurance addressed the Committee to confirm that all services that are being reviewed under the Vanguard Intervention will be audited, at some point. In some cases the Audit Service are being rolled into the process as significant changes to control are discussed. The first service which is to be fully assessed is the Benefits department as they are near to completion of their review of the Service.

RESOLVED that Committee noted the progress of the Contractor Internal Audit Plan, attached as Appendix A to this report.

(The meeting started at 6.00 pm
and ended at 8.43 pm).