

**AUDIT AND GOVERNANCE COMMITTEE**

**Thursday, 16 December 2021**

Attendance:

Councillors  
Power (Chairperson)

Bentote  
Becker  
Craske

Gemmell  
Godfrey  
Laming

Apologies for Absence:

Councillor Miller

Others in attendance who addressed the meeting:

Councillor Cutler (Cabinet Member for Finance and Service Quality)

[Audio and video recording of this meeting](#)

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1. **DISCLOSURE OF INTERESTS**

Councillor Craske declared a personal (but not prejudicial) interest with regards to his employment with KPMG, who provided audit services to the Council.

2. **CHAIRPERSON'S ANNOUNCEMENTS**

Councillor Power advised that conservative nominations for appointment to the Workforce Working Party were to be confirmed. Councillor Gemmell agreed to provide these.

3. **MINUTES OF THE PREVIOUS MEETING HELD ON 11 NOVEMBER 2021**

RESOLVED:

That the minutes of the previous meeting of the Audit and Governance Committee held 11 November 2021 be approved and adopted.

4. **PUBLIC PARTICIPATION**

No members of the public had registered to speak.

5. **TREASURY MANAGEMENT MID-YEAR MONITORING REPORT 2021/22 (AG65)**

Gemma Farley (Hampshire County Council) was present (virtually via MS Teams) at the meeting and introduced the report and provided an update to members on interest rate changes and also CIPFA code updates.

Ms Farley responded to members' questions. She advised that she would confirm to committee members on possible impact on returns from the council's pooled property fund following the increase to the Bank of England base rate; although it was not expected that there would be any significant change.

Councillor Cutler also reassured members that the council would continue to reassess its budgetary position having regard to increases to both inflation and interest rates, as well as having regard to the government's spending review settlement.

RESOLVED:

That the Treasury Management Mid-Year Monitoring Report 2021/22 be noted.

6. **GOVERNANCE QUARTERLY UPDATE Q2 2021/22 (AG60)**

The Strategic Director introduced the report and advised that subsequent to its publication, the outstanding audit action regarding the Hampshire Cultural Trust was now complete. The outstanding audit actions regarding health and safety were also likely to be completed in the new year and this would be confirmed to committee members.

The Strategic Director responded to members' questions on the reasons for the delay to the scheduled review of the constitution and the steps being taken to mitigate this. Regarding the Corporate Risk Register, the Director agreed that future quarterly reports could contain additional commentary regarding changes to mitigation measures and to risk status etc.

During debate, the committee considered the risk to service delivery from impacts from Covid-19 and the latest variant and received reassurances from the Director regarding the mitigation measures in place. Members agreed that ensuring front line council services were maintained during the pandemic was more important than compliance with the internal audit plan.

Officers were commended for their work in continuing to maintain services during the pandemic.

RESOLVED:

1. That the content of the report, the progress against the internal audit management actions be noted and that the cabinet member have regard to the comments raised by the committee.
2. That having reviewed the Corporate Risk Register, as per the Risk Management Policy, and that the activity undertaken managing the corporate risks during the quarter be noted.

7. **PUBLIC SECTOR EQUALITY REVIEW (AG67)**

The Service Lead (Legal) and the Senior Policy and Programme Manager introduced the report.

The committee's attention was drawn to an omission in the report at paragraph 3.8 whereby 'age' (which was a protected characteristic) had been inadvertently missed out. An equality impact assessment would be circulated to committee members and would also be included with report CAB3331 when presented to cabinet.

The Service Lead (Legal) and the Senior Policy and Programme Manager responded to members' questions.

Members were mindful of the significant work to be undertaken to deliver the requirements of the review of the public sector equality duty. Therefore, as well as the need for clarity of senior member ownership at cabinet level, it was agreed that there should also be an additional member role to champion and drive forward the necessary changes with appropriate mechanisms in place to report to the cabinet member on progress.

Members also acknowledged that all decision making of the council should reflect the requirements of the duty and should therefore be reflected in all committee reports. With regard to officer and member training as part of implementation, it was suggested that this be undertaken as part of annual equality and diversity training.

RESOLVED:

That the comments outlined above be forwarded for consideration by Cabinet at its meeting on 25 January 2022 in relation to report CAB3331.

8. **INVITATION TO BECOME AN OPTED-IN AUTHORITY - THE LOCAL AUDIT AND ACCOUNTABILITY ACT 2014 AND THE LOCAL AUDIT (APPOINTING PERSON) REGULATIONS 2015 (AG66)**

The Corporate Head of Finance introduced the report. By way of an update, it was confirmed that Hampshire and Isle Wight Chief Finance Officers had concluded that a local arrangement for the appointment of external auditors compared to the option presented by the Public Sector Audit Appointments

(PSAA) invitation was likely to require more resource to undertake the necessary work.

**RECOMMENDED (TO COUNCIL):**

**That the Council accepts the Public Sector Audit Appointments (PSAA) invitation to 'opt-in' to the sector led option for the appointment of external auditors for five consecutive financial years commencing 1 April 2023.**

The meeting commenced at 6.30 pm and concluded at 7.55 pm

Chairperson