

AUDIT AND GOVERNANCE COMMITTEE

Thursday, 29 February 2024

Attendance:

Councillors
Power (Chairperson)

Chamberlain
Achwal V
Godfrey

Gordon-Smith
Miller

Members in attendance who spoke at the meeting

Councillors Becker (Cabinet Member for Community & Engagement) and Cutler (Cabinet Member for Finance & Performance)

[Video recording of this meeting](#)

1. **APOLOGIES**

There were no apologies received.

2. **DISCLOSURE OF INTERESTS**

There were no disclosures of interest made.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

There were no announcements made.

4. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the previous meeting held on 9 November 2023 be agreed as a correct record.

5. **PUBLIC PARTICIPATION**

There were no members of the public present.

6. **AUDITOR VALUE FOR MONEY REPORT 22/23**
(AG123)

Kevin Suter (Ernst Young) introduced the interim report, confirming that the auditors had not identified any significant weaknesses in the council's VFM

arrangements and no significant risks had been identified. He summarised that they had nothing to report to the committee by exception.

Mr Suter responded to members' questions including the implications of the likely issue of a disclaimer opinion on the 2022/23 financial statements, due to limited amount of work EY have undertaken on the financial statements audit, and the knock-on effect on for the current and future years. The Corporate Head of Finance agreed to provide a response outside of the meeting on the possible impact on local authorities' credit ratings due to the issuance of disclaimer opinions.

RESOLVED:

1. That the Committee look forward to the refund of audit fees in relation to 2022/23 financial statements and express concern about the impact on local authorities as a whole due to widespread unqualified opinions regardless of the quality of a council's accounts; in addition to creating possible unnecessary concerns for our residents and suppliers doing business with us.

2. That the auditor's interim report be accepted and it be noted that, due to limited audit work, it is likely that the auditors will issue a disclaimer opinion on the 2022/23 financial statements.

7. **INTERNAL AUDIT CHARTER 24/25**
(AG128)

Antony Harvey from the Southern Internal Audit Partnership (SIAP) was present at the meeting, introduced the report and confirmed that adequate resources were in place to conduct the required work.

RESOLVED:

That the Internal Audit Charter 2024/25 be approved as attached as Appendix A to the report.

8. **INTERNAL AUDIT PLAN 24/25**
(AG127)

Antony Harvey (SIAP) introduced the report and responded to members' questions including confirming that the council's overall risk register together with operational risk registers were referred to in the internal auditors planning and work.

Members requested that information on progress against the council's current transformation challenge (TC25) be provided to the committee. In particular, SIAP's experience of transformation and digitisation projects at other councils should be utilised. The Corporate Head of Finance agreed to give further consideration to how best this could be achieved.

RESOLVED:

1. That the Internal Audit Plan for 2024-25 be approved as attached as Appendix A to the report.

9. **Q3 GOVERNANCE MONITORING 23/24**
(AG120)

The Senior Policy and Programme Manager introduced the report and responded to members' questions thereon.

Councillor Becker also responded to questions regarding the likely revised timetable for completion of the review of the code of conduct.

The Corporate Head of Finance provided an update from the Corporate Head of Asset Management regarding progress since the internal audit of the council's arrangement for the maintenance and repair of non-housing corporate assets. The committee agreed that a light-touch update review in the 2024/25 audit plan be scheduled to provide progress assurance.

RESOLVED:

That the content of the report, including the progress against the internal audit management actions, be noted.

10. **RISK MANAGEMENT POLICY 24/25**
(AG122)

The Corporate Head of Finance introduced the report, advising there were no material changes proposed to the policy, risk appetite or process. Paragraph 7 of the report summarised the changes since the previous year.

The Corporate Head of Finance and the Cabinet Member for Finance and Performance responded to members' questions on the report. The following points were raised for further review by Cabinet:

- a) Risks considered when acquiring properties as part of the new homes programme should include the build quality of the home; with quality assurance measures put in place to mitigate this.
- b) In connection with risk CR011, reference should be to 'district' paths and car parks, not 'city'.
- c) The consideration of opportunities as well as risks should continue.

RESOLVED:

That the Cabinet Member for Finance and Performance have regard to the discussion of this committee on the policy and the points outlined above in his presentation of report CAB3453 which would be considered by Cabinet at its meeting on 14 March 2024.

11. **LOCAL CODE OF CORPORATE GOVERNANCE**
(AG121)

The Senior Policy and Programme Manager introduced the report explaining it was largely unchanged since previous versions.

RESOLVED:

That the Local Code of Corporate Governance 2024 as set out in Appendix 1 of the report be approved.

12. **RECRUITMENT OF INDEPENDENT PERSONS**
(AG129)

The Service Lead: Legal & Governance (Interim) introduced the report and responded to Members' questions including on the recommended term of office for Independent Persons and the likely quantity of work. Nominations were sought from the committee to the interview panel and three councillors were appointed, as detailed under resolution 2 below.

RESOLVED:

1. That the recruitment, via advertisement, selection, and interview, of three Independent Persons be commenced in accordance with the process outlined in Appendix 2 of the report.

2. That the interview panel to consist of four Councillors, including three members of this committee (agreed to be Councillors Power, Chamberlain and Godfrey) and the Cabinet Member for Community and Engagement, due to her Cabinet Member responsibilities, with the Monitoring Officer and/or Deputy Monitoring Officer to be present as adviser to the panel.

3. That the interview panel should subsequently recommend to Council the appointment of up to three Independent Persons.

The meeting commenced at 6.30 pm and concluded at 8.00 pm

Chairperson