

## HAVANT BOROUGH COUNCIL

At a meeting of the Audit and Finance Committee held on 20 October 2022

Present

Councillor: Inkster (Chairman)

Councillors: Hughes, Linger (Vice-Chairman), Moutray and Patel

### 9 Apologies for Absence

Apologies for this meeting were noted from Councillors Diamond, Guest and Wade.

### 10 Declarations of Interests

There were no declarations of interest made.

### 11 Minutes

Proposed by Councillor Hughes and seconded by Councillor Linger the minutes of the previous Audit and Finance Committee that took place on the 28<sup>th</sup> July 2022 were agreed as a correct record and signed by the Chairman.

### 12 External Auditors Annual Report 20-21

The Committee considered the report presented by Jason Jones of Ernst & Young. Mr Jones summarised the report and answered questions in connection with the report.

Malcolm Coe highlighted the conclusion of the 20/21 Audit and it's satisfactory conclusion and thanked Ernst & Young for their work on this.

It was confirmed that nationally there is delay with government providing the final sign off and therefore the Council will not be at detriment should this pass the 31<sup>st</sup> October deadline.

Proposed by Councillor Hughes and seconded by Councillor Linger it was **RESOLVED** that the external auditor report for year ended 31 March 2021 was **NOTED**.

### 13 Q1 Internal Audit Progress

The Committee considered the Annual Audit Report and Opinion 2022-23, as presented by Antony Harvey of the Southern Internal Audit Partnership.

The committees' attention was drawn to the following points:

- (1) Mr Harvey confirmed that there are a number of outstanding actions from previous reviews and following the change with the arrangements with East Hampshire District Council, Internal Audit continue to work with the management team with those actions.
- (2) The report reflects in more detail about where we are with each audit review. The contract management arrangement review has been completed and has provided a 'reasonable assurance'.
- (3) The audit plan at the last meeting in July provided provisions for audits to be identified given the uncertainty at the time the plan was produced; it was proposed that every time a review commences the detail of that will come to committee. Following this, a review of the corporate governance and the annual governance statement was identified as well as a review around information governance to be brought into the future plans.

Mr Harvey agreed that the definitions for the colours and the numbers included on the rag rating and report will be detailed in future reports.

Cllr Linger requested under the total management actions for a total to be included to work out the percentage of completed and not completed.

Malcolm Coe and Internal audit agreed to work together to improve the presentation of the report in advance of the next meeting.

**Proposed** by Councillor Hughes and **seconded** by Councillor Linger it was **RESOLVED** that the Audit and Finance Committee **NOTE** the Internal Audit Progress Report, reflecting progress to 30th September 2022, attached as Appendix 1.

### 14 DRAFT - 2021-22 Statement of Accounts

Malcolm Coe introduced the item and confirmed that these accounts are available on the website for the public to view.

The Committees attention was drawn to the following points:

- (1) Ernst & Young are due to complete their review of the Draft Statement of Accounts in early January 2023. The accounts will remain as draft until that is completed.

- (2) In 2020/21 the asset valuations were a key concern for ourselves and Ernst & Young (EY). There is now a comprehensive asset register and we are in a stronger position while we wait for the formal valuation from Vale Williams, following which; the accounts will be updated by the end of the calendar year.

Following questions from councillors; proposed by Councillor Hughes and seconded by Councillor Linger it was **RESOLVED** that:

The Committee **APPROVED** the draft 2021/22 Statement of Accounts for publication.

The Committee **NOTED** that the asset valuations are not yet complete, and the draft Statement of Accounts will be updated as soon as they are available

## 15 Ombudsman Annual Review Letter 2021/22

Mark Watkins introduced the report and highlighted that the numbers shown in the report represent the sector average in terms of complaints made against local authorities.

Proposed by Councillor Linger and seconded by Councillor Patel it was **RESOLVED** that:

- (i) **RECEIVE** the Annual Review Letter 2022 from the Local Government & Social Care Ombudsman and accompanying complaints data; and
- (ii) **NOTE** that in the year 1 April 2021 to 31 March 2022 there were 21 complaints cases decided by the Ombudsman, two of which were upheld and fault found; and
- (iii) **NOTE** that the Council was fully compliant with the outcomes and remedies recommended by the Ombudsman in the two upheld complaints.

## 16 Mid Year Treasury Management & Outturn Report 2021-22

Malcolm Coe introduced the item and highlighted the following points.

- (1) The report highlights that we have a low level of borrowing; Appendix B shows the mid-year review for 2022/23 and the results from our Treasury Management. In April, the Treasury Management strategy was amended which enabled us to take calculated risks in terms of

investments. There is confidence in the returns we will see in 2023/24 due to proactive investment of cash flow.

- (2) We have changed our treasury advisors and have now engaged 'Arlingclose' who have helped provide the investment portfolio.

Following questions; Proposed by Councillor Patel and seconded by Councillor Linger it was **RESOLVED** that:

- (i) The Committee **NOTE** appendices A,B and D.  
(ii) The Committee **APPROVE** the amendments to the Council's Treasury Management Strategy for 2022/23 as detailed in Appendix C.

**The meeting commenced at 5.00 pm and concluded at 5.39 pm**

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**Chairman**