

HAVANT BOROUGH COUNCIL

At a meeting of the Audit and Finance Committee held on 25 March 2024

Present

Councillor: Diamond (Chairman)

Councillors: Linger (Vice-Chairman), Harris, Rason and Wade

Other Councillor(s):
Councillors

31 Apologies for Absence

There were no apologies for absence received for this meeting.

32 Minutes

RESOLVED that the minutes of the meeting of the Audit and Finance Committee held on 29th January 2024 were approved as a true record and signed by the Chairman.

33 Declarations of Interests

There were no declarations of interests relating to matters on the agenda.

34 External Audit Plan - Verbal Update

The External Auditors from Ernst & Young gave a verbal update, noting that they have been working with officers on the final amendments to the 21/22 accounts which has taken longer than anticipated. Therefore the papers will be provided at the next Audit and Finance Committee.

It was confirmed that the 22/23 reports show no risks of significant weakness, and they are happy that the correct arrangements were in place, noting the change in management arrangements that took place during that time.

It was clarified that there will be introduction of new legislation anticipated for the 30 September 2024 which will detail information regarding a 'stop date'. This date means where all audits, if incomplete are given a report 'disclaimer' explaining that the audit opinion is not given on the accounts because they are not complete. The disclaimer is not a reflection on the quality of the accounts.

This is all part of a national strategy from the financial reporting council by the Department of Levelling Up, Housing and Communities; to clear the backlog across the country in terms of incomplete Local Government audits.

There will then be a 5 year recovery process to return to the usual audit cycle.

Once the legislation has been put in place, there will be a final decision made on how to move forward.

Following questions from Councillors it was **RESOLVED** that the Committee **NOTE** the External Audit Plan.

35 Internal Audit Progress Report 2023-24

The Internal Auditors introduced the Internal Audit Progress Report 2023-24 noting that the report states the current progress with the delivery of the plan and all is on track to be completed by the end of April. All outstanding actions are currently under review from the Executive Leadership Team to ensure these are closed off as soon as possible. These actions will be updated on a monthly basis.

Following questions from Councillors it was **RESOLVED** that the Committee **NOTE** the Internal Audit Progress Report, reflecting progress to 29th February 2024, attached as Appendix 1.

36 Internal Audit Plan 2024-25

The Internal Auditors updated the committee on the Internal Audit Plan 2024-25 and there were no questions or debate from Members.

The committee **RESOLVED** that the Internal Audit Plan 2024-25 be **APPROVED**.

37 Internal Audit Charter

The Internal Auditors introduced the item noting that this item relates to the forthcoming audit year and outlines independence and objectivity of the Auditors. The Public Sector and Internal Audit standards have remained since 2017 but the charter must be approved on an annual basis by the Council.

The Committee therefore **RESOLVED** to **APPROVE the** Internal Audit Charter for 2024-25, attached as Appendix 1.

38 Annual Governance Statement 2023/24

Councillor Bowdell as Finance Cabinet Lead introduced the item, giving an overview of purpose and content.

Councillors asked clarifying questions, and the Executive Head of Internal Services agreed that the membership of the Corporate Governance Board will be added into the report for clarity. It was also clarified that a 'contract amnesty'

refers to a contract register which officers are required to update to declare any contracts being entered into.

It was therefore **RESOLVED** that the Committee **APPROVE** the Draft Annual Governance Statement 202-24.

The meeting commenced at 5.30 pm and concluded at 6.20 pm

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Chairman