

LICENSING AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 28 November 2016 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr A. Jackman (Chairman)
Cllr M.L. Sheehan (Vice-Chairman)

Cllr Sophia Choudhary
Cllr Liz Corps
Cllr A.H. Crawford
Cllr B. Jones
Cllr S.J. Masterson
Cllr M.D. Smith
Cllr L.A. Taylor
Cllr J.E. Woolley

Apologies for absence were submitted on behalf of Councillor Jacqui Vosper.

17. MINUTES

The Minutes of the Meeting held on 26th September, 2016 were approved and signed by the Chairman.

18. APPOINTMENT OF EXTERNAL AUDITOR

The Committee considered the Head of Financial Services' Report No. FIN1625, which sought approval to recommend to the Council that Rushmoor should opt in to the appointing person arrangements made by Public Sector Appointments for the appointment of external auditors and to authorise the Head of Financial Services to sign the notice of acceptance on behalf of the Authority, subject to the Council's decision.

The Committee was advised that, following the demise of the Audit Commission, new arrangements were needed for the appointment of external auditors. The Local Audit and Accountability Act, 2014 required authorities to either opt in to the appointing person regime or to establish an auditor panel and conduct their own procurement exercise. The Report advised that notice had to be given to the Public Sector Audit Appointments (PSAA) by 9th March, 2017 of an intention to opt-in to the appointed person regime. It was further noted that the appointment of auditors for the 2018/19 financial year was required by 31st December, 2017.

The Committee considered the advantages of using PSAA and also the disadvantages if the Council was to decide to undertake its own procurement. It was noted that the use of PSAA would minimise the risks inherent in the Council undertaking its own procurement. The Committee also considered the financial

implications and were of the opinion that economies of scale would mean that procuring via PSAA would be significantly less than procuring individually or through a smaller group of authorities.

The Committee RECOMMENDED TO THE COUNCIL that:

- (i) the Authority opt in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors; and
- (ii) the Head of Financial Services be authorised to sign the notice of acceptance on behalf of the Authority, subject to the decision of the Council.

19. ANNUAL AUDIT LETTER

The Chairman welcomed Mr. Andrew Brittain, Executive Director at Ernst & Young LLP, to the meeting to present the external auditors' Annual Audit Letter for the year ended 31st March, 2016.

The purpose of the Audit Letter was to communicate to Members and external stakeholders the key issues arising from the work of the external auditors which it was considered should be brought to the attention of the Council. Detailed findings from the 2015/16 audit results report had already been presented to the Committee on 26th September, 2016. The matters reported in the Audit Letter were the most significant for the Council.

RESOLVED: That the Annual Audit Letter for the year ended 31st March, 2016 be noted.

20. TREASURY MANAGEMENT OPERATIONS MID-YEAR REPORT 2016/17

The Committee received the Head of Financial Services' Report No. FIN1626, which set out the main activities of the Treasury Management Operations during the first half of 2016/17 and an update on the current economic conditions that affected Treasury Management decisions. The Report also showed the actual prudential indicators relating to capital and treasury activities for the period and compared these to the indicators which had been set in the Annual Treasury Management Strategy for the year.

It was noted that 2016/17 had continued to present challenges for treasury management. The Council's treasury team had concentrated on the security of deposits and investments while having regard to the returns available. It was estimated that the Council's increased capital expenditure in the current year would raise the level of external borrowing at the end of the year.

Further capital expenditure in 2017/18 and future years would require progressive redemption of the Council's investments as borrowing increased. Every effort was being made to retain the higher yielding investments for as long as possible, as their redemption in the future to raise cash for capital purposes would cause significant revenue effects in relation to the loss of investment income. The Council continued

to seek to diversify its investments in order to maximise returns and to safeguard the Council's treasury management position.

The Committee was advised that the Council had complied with its Treasury and Prudential Indicators for 2016/17.

During debate on the item, Members raised questions regarding pooled funds and the risk profile of investments. Following discussion on the subject, it was agreed that the Committee should receive more frequent treasury management operations reports.

RESOLVED: That the Head of Financial Services' Report No. FIN1626 be noted.

The meeting closed at 7.34 pm.

CLLR A. JACKMAN (CHAIRMAN)
