

# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Wednesday, 25th September, 2024 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr A.H. Crawford (Chairman)  
Cllr Bill O'Donovan (Vice-Chairman)

Cllr A. Adeola  
Cllr Gaynor Austin  
Cllr C.W. Card  
Cllr Rhian Jones  
Cllr M.J. Roberts  
Cllr M.D. Smith  
Cllr Jacqui Vosper  
\*Cllr Lisa Greenway  
\*Cllr S.J. Masterson

Apologies for absence were submitted on behalf of Cllr Sarah Spall and Cllr P.G. Taylor.

\*Cllrs Lisa Greenway and S.J. Masterson attended the meeting as Standing Deputies.

## **Non-Voting Member**

Mr. Tom Davies (ex officio)

## **14. MINUTES**

The minutes of the meeting held on 31st July 2024 were agreed and signed as a correct record of the proceedings, subject to the acronym on Page 7 of the minutes being written in full as follows, "Public Sector Internal Audit Standards (PSIAS)".

## **15. ANNUAL OMBUDSMAN COMPLAINT REVIEW LETTER 2024**

The Committee considered the Monitoring Officer's Report No. CS240911, which summarised the outcomes and findings of the Annual Review Letter 2023/24 from the Local Government and Social Care Ombudsman (LGSCO).

It was noted that the LGSCO had received three complaints directly from members of the public, of which two were not upheld. One complaint, relating to private renting conditions, was upheld. The LGSCO found no fault in the Council's assessment and actions, however fault was found regarding an email sent to the tenant from the Council, in which they felt the Council had not provided adequate information,

leading to uncertainty. The report showed that the LGSCO had set out actions for the Council to complete, which had been carried out.

During discussions, the Committee noted that 32 complaints had been made in total, of which 82% had been resolved at the first stage and 17% resolved at the second stage. Further to a request, it was agreed that additional information about the nature of complaints would be summarised and included as part of future reporting to the Committee.

**RESOLVED:** That:

(1) the Committee note the Annual Review Letter;

(2) the Council would continue to manage any complaints through the current complaints processes; and

(3) the Council would continue to make use of the LGSCO's review letter to monitor and review the effectiveness of its complaints policy and responses – informing the implementation of any changes as required.

#### 16. **ANNUAL STATEMENT OF ACCOUNTS/EXTERNAL AUDIT OPINION - UPDATE**

The Chairman welcomed Simon Mathers, Director at Ernst and Young (EY), who joined the meeting remotely via Microsoft Teams.

The Committee received an update from the Executive Head of Finance, Peter Vickers, who advised that the Council had been liaising with Mr Mathers in arranging the external audit of the 2023/24 accounts.

Mr Mathers advised that there had been a significant backlog in the delivery of external audits for local Government. It was noted that following the General Election in July 2024, the new Government had agreed legislation to address the delays. This had resulted in all accounts for the Council between 2020/21 and 2022/23 being completed through the process of a disclaimer by 13th December 2024, and the 2023/24 accounts would be audited, in the proposed way as set out in the plan, by 28th February 2025. If audit work on the 2023/24 accounts was not completed in time, the Council would also have to publish these with a disclaimer.

The Committee was advised that the audit for 2023/24 was due to commence on the 30th September 2024 and would take approximately eight weeks. It was confirmed that at the current time, all requests for working papers and the sampling requests had been issued, and that the Council would be responding to requests for information as a priority and in a timely manner to support the completion of the audit. In terms of the assurance that Ernst and Young would be able to give at the end of that process, it was noted that the opinion for 2023/24 would be modified to reflect the position that the previous years' accounts had been published with a disclaimer. EY would be focusing their resources on those aspects of the audit and those areas that were of most value to the Council, to allow the Council to rebuild assurance for subsequent financial years.

**RESOLVED:** That the Annual Statement of Accounts/External Audit Opinion update be noted.

#### 17. **INTERNAL AUDIT - AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD2407, which set out an update on the audits finalised in respect of the 2023/24 audit plan, and progress on the 2024/25 audit plan including a schedule of work to be delivered in Quarter 3.

The Committee noted that the Southern Internal Audit Partnership (SIAP) had been assisting the Council with the delivery of the annual audit plan for 2024/25 and that a more permanent arrangement was being considered via a local authority collaboration agreement. In discussing the approach to agreeing future permanent arrangements, it was proposed that the Committee be consulted for comments prior to the decision.

With reference to paragraph 2.2 of the Report, the Committee was advised of the assurance opinion on each of the completed audits since the previous update in May 2024. During discussion on the previous year, it was noted that overall budget savings had been achieved, and that the Cost Reduction Efficiencies Programme (CREP), and Outcomes Based Budget (OBB) activities had achieved a positive impact on reducing the Council's deficit, with clear objectives set out in the proposal documentation for the programme.

On the payroll audit, the Committee enquired as to the approach to the management and authorisation of overtime. It was advised that the Executive Leadership Team (ELT) had an overview of the position, which they were able to check for disproportionate overtime payments. In addition, the Committee was advised that Service Managers were required to authorise overtime payments in advance.

**RESOLVED:** That the information provided within the Audit Manager's Report No. AUD2407 be noted in relation to the progress of audit work to date towards the 2023/24 audit plan, and the expected deliverables for the next quarter.

#### 18. **UPDATE ON GOVERNANCE ACTIONS - CIPFA REPORT AND LGA CORPORATE PEER CHALLENGE**

The Committee noted that the findings in the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Review Report and the Local Government Association (LGA) Corporate Peer Challenge Feedback Report would be considered at the meeting of the Cabinet on 15th October, when both a Corporate Peer Challenge Action Plan, and a Financial Recovery Plan would be considered for approval. In addition, feedback and recommendations from the Overview and Scrutiny Committee Meeting on 12th September, at which the CIPFA Report was considered, would be reported to the Cabinet.

It was noted that, across the two reports, a number of recommendations related to Governance matters, these included:

- a refresh of the Equality, Diversity and Inclusion objectives,

- a review of the Committee structure, with an aim to conclude this work by the end of the Municipal Year to allow for any amendments to be made to the Constitution,
- a review of the relationship between the Rushmoor Development Partnership (RDP) and Rushmoor Homes Limited (RHL)
- a review of the organisational structure
- a review of Corporate Risk Management

It was advised that reports would be made to the Committee as the work progressed. In response to a question, it was advised that the recommendation to Cabinet on 15th October would be to undertake a review of the committee structure, once endorsed by the Cabinet, further engagement with relevant bodies would be made. There would be no need for the Committee to meet prior to the Cabinet meeting on 15th October.

**RESOLVED:** That the update be noted.

19. **CORPORATE POLICY AND GUIDANCE ON SURVEILLANCE AND THE USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Committee considered the Corporate Manager – Legal Report No. LEG24/02 which set out a review for approval of the Council’s corporate policy on the use of covert investigatory techniques, including surveillance, within and outside the scope of the Regulation of Investigatory Powers Act 2000 (RIPA).

The Committee was advised that much of the surveillance carried out by officers was overt, where officers were transparent in their investigations. Investigations which were deemed to need covert surveillance, needed authorisation from the Magistrates Court, and were carried out by trained and authorised Council officers, in partnership with the Police. It was noted that no covert surveillance had been undertaken by the Council during 2023/24. The Council’s Regulation of Investigatory Powers Act 2000 (RIPA) policy and procedure was up-to-date and complied with current guidance.

**RESOLVED:** That the Corporate Surveillance and RIPA Policy Report No. LEG24/02, be noted.

The meeting closed at 8.35 pm.

CLLR A.H. CRAWFORD (CHAIRMAN)

-----