

Minutes of a meeting of the Audit Committee held on 14th March 2012 from 7.00 p.m. to 7.45 p.m.

Present: Andrew Lea (Chairman)
Bruce Forbes (Vice-Chairman)

Simon Banham	Richard Goddard	Gordon Marples
Jack Callaghan*	Chris Hersey	Simon McMenemy
Phillip Coote	Graham Knight*	Sue Seward

Also Present: Ben Durrant and Steve Connors from Internal Audit Partner.
Helen Thompson from the Audit Commission.
Peter Stuart, Head of Finance and ICT and section 151 Officer.

* Absent

20. SUBSTITUTES AT MEETINGS OF COMMITTEE – COUNCIL PROCEDURE RULE 4

The Committee noted that no substitutes were notified in accordance with Council Procedure Rule 4 – Substitutes at Meetings of Committees etc.

21. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Chris Hersey and Graham Knight.

22. DECLARATIONS OF INTEREST

Councillor Marples disclosed a personal interest in Agenda Item 5: Audit Commission Business, as he is a member of the West Sussex Pensions Panel.

23. MINUTES

The minutes of the meeting of the Committee held on 13th December 2011 were agreed as a correct record and signed by the Chairman.

24. AUDIT COMMISSION BUSINESS

The Committee received the 2011/12 Audit Plan; the Annual Report for the Certification of Claims and Returns and the Letter of Management Assurance.

Helen Thompson from the Audit Commission informed the Committee of the latest developments with regard to the outsourcing of the Audit Commission and confirmed that she would keep Members and Officers up-to-date with the situation.

Ms. Thompson introduced the Audit Plan for 2011/12 and highlighted the risks which she had identified.

In response to a question from a Member who asked about her appointment as a District Auditor, Ms. Thompson explained the process. She also drew Members' attention to independence and objectivity and the need to safeguard audit quality.

She explained that, in her opinion, it would be detrimental to change the District Auditor at this time. The Director of Audit Policy and Regulation at the Audit Commission has approved her request for an extension but this had to be approved by the Audit Committee. The Head of Finance and ICT confirmed that he had no objection to the extension for a further two years. She also explained how the percentages for the audit fee are calculated.

Ms. Thompson referred to The Certificate of Claims and Returns and explained that no issues had been identified within the audits.

The Chairman then took Members to the Letter of Management Assurance and the Committee received a draft response to the points raised within the letter to the Chairman of the Audit Committee dated 27th February 2012. The Committee noted that the Chairman will sign the letter by the end of April.

RESOLVED

That:-

- (1) the 2011/12 Audit Plan be noted;
- (2) the 2010/11 Annual Report for the Certification of Claims and Returns;
- (3) the Chairman be authorised to sign the Management Assurance letter on behalf of this Committee; and
- (4) the Committee agree to the extension of the appointment of the District Auditor for a further two years.

25. STATUS REPORT ON ACTION PLAN OF AUDIT RECOMMENDATIONS

The Committee received a report on progress being made in implementing the recommendations set out in the Audit Commission's Annual Governance Report for 2010/11.

Clarification was sought from the District Auditor regarding Recommendation 4 in Appendix A to the report. The Head of Finance and ICT added that systems have been looked at and discussions held, with no further action required. He is confident that there would be a better close down this year than last.

One Member referred to Recommendation 1, reconciliation to the general ledger, and commented that, in his opinion, this was a significant issue. The Head of Finance replied that this should be fairly straightforward and he had not been advised of any problems relating to this.

RESOLVED

That the progress made in implementing the recommendations be noted.

26. INTERNAL AUDIT – MONITORING REPORT 14th March 2012

The Committee received a report which updated them on progress of the 2011-2012 Internal Audit Plan and implementing previously agreed recommendations.

Ben Durrant, the Internal Audit manager advised the Committee that the report on Payroll and Credits would be completed by the end of the week with the Lone Worker report being concluded by the first week in April. He added that no issues had arisen with regard to the update on the implementation of previously agreed recommendations.

In response to a question from a Member as to the audit investigations which had been undertaken are satisfactory; the Chairman replied that no major issues had been raised.

One Member asked whether the audit on NNDR would come before this Committee or be presented to a meeting of the CenSus Joint Partnership. The Chairman confirmed that it would come before this Committee. The Audit Partner explained that audits relating to Housing Benefit, Council Tax and NNDR would be shared with all the partners of CenSus.

RESOLVED

That the report be received and progress on the Internal Audit Plan 2011-2012 and the implementation of previously agreed recommendations be noted.

27. ANNUAL INTERNAL AUDIT PLAN

The Committee received a report on work proposed for 2012/13.

Steve Connors, the Internal Audit Partner explained the background as to how the audit plan is derived, and explained its individual elements.

In response to a question from a Member as to Best Practice the Internal Audit Partner explained how the service is managed.

In response to a question from the Chairman asking whether any items have been removed from the Annual Plan, the Internal Audit Partner explained that the focus of the review of staff training is likely to change and the Call Centre review is being withdrawn from the Plan in the short-term to wait for the results of an internal review.

RESOLVED

That the detailed Internal Audit Plan for 2012/13 be received and noted.

28. TREASURY MANAGEMENT

The Chairman informed the Committee that, in future, there would be a standard item on every agenda relating to Treasury Management.

Chairman.