

**Minutes of a meeting of the Audit Committee held on 20th  
November 2013 from 7.00 p.m. to 7.38 p.m.**

**Present:** Bruce Forbes (Chairman)  
Simon Banham (Vice-Chairman)

Stephen Barnett	Heidi Brunsdon*
Jack Callaghan	Neville Walker

**Also Present:** Councillor Jonathan Ash-Edwards.

**Also in Attendance:** Helen Thompson, Paul King and Emma Bryant from Ernst & Young.  
Ben Durrant from Haines Watts, Internal Auditors.  
Peter Stuart, Head of Finance and ICT and Section 151 Officer.  
Tom Clark, Solicitor to the Council.

**22. SUBSTITUTES AT MEETINGS OF COMMITTEE – COUNCIL PROCEDURE  
RULE 4**

None.

**23. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Heidi Brunsdon.

**24. DECLARATIONS OF INTEREST**

None.

**25. MINUTES**

The Minutes of the meeting of the Committee held on 24th September 2013 were agreed as a correct record and signed by the Chairman.

**26. ANNUAL AUDIT LETTER**

The Committee received a report presenting the Annual Audit Letter 2012/13 to those charged with governance. Helen Thompson from Ernst & Young, the Council's Auditors, introduced the report. She explained that the Audit Commission's Code of Audit Practice required auditors to prepare an Annual Audit Letter and issue it to each audited body. She confirmed that the Letter contained no information that was not already included within the Annual Governance Statement.

Ms. Thompson also introduced Paul King, who would be succeeding her as the Council's auditor and thanked officers for their co-operation during her seven years' tenure as auditor.

As there were no questions, the Chairman took Members to the report's recommendation, which was agreed.

**RESOLVED**

That the Annual Audit Letter be received and noted.

## **27. EXTERNAL AUDIT PROGRESS REPORT**

The Committee received a report from Helen Thompson of Ernst & Young. She explained that the report summarised the position on both the audits of 2012/13 and the preparedness of 2013/14. She confirmed that the report raised no new issues.

Responding to a Members' question, Ms. Thompson outlined the process required for sample testing of Housing Benefit claims and the reporting procedures back to the Department for Work and Pensions (DWP). She explained that some benefit claims were straightforward, whilst others were quite complicated and emphasised the auditors' need to work closely with officers. She confirmed that no further testing would be required.

In reply to another Member's question, Paul King of Ernst & Young confirmed that the DWP could claim back any Housing Benefit subsidies that were due to Council error and that there was no deadline by which they were obliged to respond. He also confirmed that the DWP would not withhold the subsidy, although they could subsequently adjust the amount, if any errors were found in the Council's calculations of Housing Benefit entitlements.

As there were no further questions, the Chairman took Members to the report's recommendation, which was agreed.

### **RESOLVED**

That the report be received and noted.

## **28. REVIEW OF TREASURY MANAGEMENT ACTIVITY 1st APRIL - 30th SEPTEMBER 2013**

The Committee received a report from Peter Stuart, the Head of Finance. He confirmed that the Council's performance during the half year had exceeded the budgeted returns for investment and remained within the lending limits approved at the start of the year. He confirmed that a Treasury Management Lending List report would be submitted to the Committee in March 2014.

Responding to a question from the Chairman, the Head of Finance confirmed that due to the Co-operative Bank's announcement that it would no longer be acting on behalf of local authorities, the Council would not be renewing its loans and would have all its money back by the end of the financial year. He confirmed that the Council would re-procure its banking services from elsewhere, possibly in partnership with neighbouring Councils. He also confirmed that no financial penalty would be incurred, as it was Co-operative Bank that was withdrawing from its contract with the Council.

In reply to another question from the Chairman, the Head of Finance agreed that Treasury Management reports could be shortened if Members agreed it should be so.

As there were no further questions, the Chairman took the Committee to the report's recommendation, which was agreed.

### **RESOLVED**

That the report be received and noted.

## **29. INTERNAL AUDIT MONITORING REPORT 20th NOVEMBER 2013**

The Committee received a report from Ben Durrant, from Haines Watts. He explained that the report set out to update the Committee on the progress of the 2013-14 Internal Audit Plan, as well as report on the progress made implementing previously agreed recommendations.

Responding to a Member's question, Mr. Durrant confirmed that officers were looking at existing contract frameworks for landscaping services, with the view to achieving maximum value for money.

In reply to another Member's question, the Head of Finance confirmed that any payment in excess of £20,000 required authorisation from a senior manager, although whether this was required for NDR refunds had prompted a re-examination of the BACS payment process, adding that a more positive and informed response would be forthcoming shortly in the form of a full report.

Responding to another question from the same Member, the Head of Finance confirmed that accreditation for the Public Services Network remained outstanding, with other Councils experiencing similar difficulties. He confirmed that once accreditation was received, the Council could be audited on it.

Responding to a question from the Chairman, the Head of Finance confirmed that five suppliers had each received £20,000 for landscape works. He explained that the recently awarded Grounds Maintenance contract did not include services such as new fencing and tarmac, as these were beyond the scope of the Grounds Maintenance contractor to provide. He confirmed that the additional contractors had been audited.

As there were no further questions, the Chairman took Members to the report's recommendation, which was agreed.

### **RESOLVED**

That the report be received and noted.

## **30. COMMITTEE WORK PROGRAMME**

The Committee received its Work Programme for the year 2013/14.

The head of Finance pointed out that the next meeting date had been changed from 20th to 18th March 2014. He added that an additional item would be included at that meeting on the Treasury Management Lending List

Paul King confirmed that he would also be submitting two additional Business Items to that meeting; a Grant Claims Certification report and an External Progress report.

As there were no questions, the Chairman took Members to the report, which was noted.

### **RESOLVED**

That the Committee Work Programme be noted.

**31. THANKS**

The Chairman thanked Helen Thompson on behalf of the Committee for her work for the Council over the last seven years.

Chairman.