

Minutes of a meeting of the Audit Committee held on 19 November 2014 from 7.00 p.m. to 7.25 p.m.

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

Stephen Barnett*	Andrew Lea*
Jack Callaghan	Neville Walker*

* Absent.

Also in Attendance: Gillian Edwards, Audit Manager and Paul King and Emma Bryant from Ernst and Young.
Peter Stuart, Head of Finance and ICT and Section 151 Officer.

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

None.

26. APOLOGIES FOR ABSENCE

Apologies had been received from Councillors Barnett and Lea.

27. DECLARATIONS OF INTEREST

None.

28. MINUTES

The Minutes of the meeting of the Committee held on 23 September 2014 were agreed as a correct record and signed by the Chairman.

29. URGENT BUSINESS

[Note: The Chairman agreed to take this as urgent business because of the need for Members to be kept informed of the situation regarding the Housing Benefit Subsidy claim.]

Paul King from Ernst Young updated the Committee on the subsidy claim. He said that a significant amount of testing had been involved at the initial testing stage and added that more testing has been necessary than anticipated.

He added that a significant amount of extra work was involved and there is a risk that testing will not be completed by the deadline. Additional people had been tasked to achieve reaching the deadline and there would be an additional two people involved next week. He assured Members that they would receive updates on this matter between meetings of this Committee.

In response to a Members question about whether there would be any financial implications, the external auditor explained that he could not give any indication as yet, but there would be fee implications on the auditor's side.

**30. REVIEW OF TREASURY MANAGEMENT ACTIVITY
1 APRIL – 30 SEPTEMBER 2014**

The Committee received a report on the Council's treasury management activity for the half year to 30 September 2014.

Peter Stuart, the Head of Finance, explained that this report is compiled by Adur and Worthing Councils as a shared service. He confirmed that the Treasury Management portfolio is satisfactory. The levels of interest are relatively satisfactory, but the overall income is disappointing. He confirmed that all transactions were made within the framework of the Council's treasury management policy.

In response to a question from a Member the Head of Finance explained that interest rates are slightly lower and even longer term rates are not very high. As loans mature they are not re-invested on as high a rate as initially first thought. He also explained how the budget is put together and added that there have been a number of variations over the years but over the longer term the position was satisfactory.

As there were no more questions the Chairman took the Committee to the recommendation which was agreed.

RESOLVED

That the report be received and noted.

31. INTERNAL AUDIT – MONITORING REPORT

The Committee received an update report on the progress of the 2014/2015 internal Audit Plans and progress made in implementing previously agreed recommendations.

Gillian Edwards, the Audit Manager, introduced the report and explained that the audit on the Freedom of Information had been completed with no findings to report. She updated the Committee on the progress of the three follow-up audits as well as the four audits being undertaken at the current time. She added that the responses and recommendations of these are likely to be completed by the end of the financial year.

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

RESOLVED

That the Internal Audit Monitoring report be received and noted.

32. COMMITTEE WORK PROGRAMME

The Committee received their Work Programme for the remainder of the municipal year.

The Head of Finance informed the Committee that the Internal Audit Plan shown on the Work Programme for 17th March meeting would be for three years.

RESOLVED

That the Work Programme be received and noted.

Chairman.