

## **Minutes of a meeting of the Audit Committee held on 17 March 2015 from 7.00 p.m. to 8.15 p.m.**

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

Stephen Barnett\*  
Jack Callaghan

Andrew Lea  
Neville Walker\*

\* Absent.

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

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

None.

### **34. APOLOGIES FOR ABSENCE**

Apologies had been received from Councillor Walker.

### **35. DECLARATIONS OF INTEREST**

None.

### **36. MINUTES**

The Minutes of the meeting of the Committee held on 19 November 2014 were agreed as a correct record and signed by the Chairman.

### **37. URGENT BUSINESS**

None.

### **38. THREE YEAR INTERNAL AUDIT PLAN**

The Committee received a report on the detailed work proposed for 2015/16 and the overall Internal Audit Plan for three years 2015/16, 2016/2017 and 2017/2018.

Gillian Edwards, the Audit Manager introduced the report and referred Members to Appendix B to the report which listed the proposed audit work to be undertaken over the next three years. She spoke of the increase in work relating to anti-fraud.

One Member asked whether three years was a reasonable time to assume accuracy; the Head of Finance explained that this is a basic plan, if a particular area needs more examination then it would be given. The idea of the plan is to keep it fluid and agile.

One Member referred to the increase in anti-fraud work relating to housing benefits and the Internal Auditor explained how this work is undertaken. The Head of Finance explained that, as from October 2015 the Council's three Housing Benefit Fraud Investigators would be moving to the Department of Work and Pensions.

As there were no more speakers the Chairman took the meeting to the recommendation in the report.

### **RESOLVED**

That the detailed Internal Audit Plan for 2015/2016, Appendix A to the report, and three year Internal Audit Plan, Appendix B to the report, be received and noted.

## **39. 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 a great deal of work had been undertaken. She explained that all but one audit had been one started, with the final one commencing tomorrow. She added that five reports had been issued with no serious anomalies.

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

### **RESOLVED**

That the Internal Audit Monitoring report be received and noted.

## **40. EXTERNAL AUDIT BUSINESS**

The Committee received a report on the External Auditor's Audit Plan for the 2015/16 audit and the progress so far. They also received the Annual Report for the Certification of Claims and Returns as well as the 'Management Assurance letter' for their approval at the next meeting.

Paul King from Ernst and Young took the Committee through the work plan for 2015/16 which gave an overview of the work to be undertaken by the external auditors and drew the Committee's attention to the risk of fraud which is identified and included in all their audit plans, it is not specific to Mid Sussex. He also drew the Committee's attention to the slight change in fee due to errors identified in the Housing Benefit Subsidy Claim for 2013/14 and in response to a number of points about materiality explained how the fee for the Housing Benefit Claim was set.

The Committee received the Audit Progress Report which set out the work carried out by Ernst and Young since the last report to the Committee and noted that there would be a 25% reduction in fee which had been achieved as a result of a recent procurement exercise.

The Committee also received the Certification of Claims and Returns Annual Report for 2013-14 and considered the 'Management Assurance Letter'.

As there were no further speakers the Chairman took the Committee to the recommendations which were agreed.

### **RESOLVED**

That:-

- (1) the 2014/15 Audit Plan and the progress so far be noted;

- (2) the Annual Report for the Certification of Claims and Returns be noted; and
- (3) the Chairman be delegated to draft a response to the Management Assurance letter in consultation with the Head of Finance, in readiness for the next meeting of the Committee.

Chairman.