

**Minutes of a meeting of Audit Committee
held on Tuesday, 20th November, 2018
from 7.00 pm - 7.25 pm**

Present: J Belsey (Chairman)
R de Mierre (Vice-Chair)

T Dorey

Andrew Lea

N Walker

Absent: Councillors A Boutrup and L Stockwell

Also Present: Judy Llewellyn-Burke
(Cabinet Member for Finance and Economic Growth)
Tom Clark, Head of Regulatory Services
Gillian Edwards, Audit and Risk Manager Crawley Borough Council
Peter Stuart, Head of Corporate Resources and Section 151 Officer
Alison Hammond, Democratic Services Officer

**1. TO NOTE SUBSTITUTES IN ACCORDANCE WITH COUNCIL PROCEDURE
RULE 4 - SUBSTITUTES AT MEETINGS OF COMMITTEES ETC.**

None.

2. TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies were received from Councillors Boutrup and Stockwell.

**3. TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS IN RESPECT OF
ANY MATTER ON THE AGENDA.**

Councillor Andrew Lea declared a personal interest as a serving Member of West Sussex County Council.

4. TO CONFIRM THE MINUTES OF THE PREVIOUS MEETING.

The Minutes of the meeting of the Committee held on 5 September 2018 were agreed as correct record and signed by the Chairman after noting that the post implementation presentation on XCD and update report on cyber threats would now be provided in February. In response to a Members question it was noted that a sentence was incomplete in the Internal Audit monitoring report. It should have read "Whilst virus protection measures were in place, they were bypassed by a member of staff googling the website and going through the link".

**5. TO CONSIDER ANY ITEMS THAT THE CHAIRMAN AGREES TO TAKE AS
URGENT BUSINESS.**

None.

6. REVIEW OF TREASURY MANAGEMENT ACTIVITY 1 APRIL - 30 SEPTEMBER 2018.

Peter Stuart, Head of Corporate Resources introduced the report which stated that all transactions were in order and the performance of the service had met the requirements of the Service Level Agreement (SLA) with our shared services provider. He explained the key points which were that the shared service had adhered to all borrowing limits and counterparty lending limits approved in the Treasury Management Strategy Statement; interest earned on investments was significantly higher than forecast, whilst interest on borrowing is in line with the budget. He highlighted the revised estimates for Capital Expenditure and noted that the capital receipts, Hurst Farm site, were now expected mid to late 2019/20 and not as previously reported.

In response to a Members question the Head of Corporate Resources confirmed that the revised figures had already been presented to Cabinet in the Budget Management Report. The Chairman noted that any changes would have been authorised and requested that a copy of the report be circulated to the Committee Members.

RESOLVED

The Committee received and noted the contents of the report:

- (i) that no new borrowing has been necessary in the 6 months to 30th September 2018 and the outstanding borrowing has reduced from £12.698m at 31 March 2018 to £12.635m. An additional £5m will be repaid on 19th November 2018.
- (ii) the increase in investments from £31.55m at 31 March 2018 to £44.27m at 30 September 2018 (both figures exclude the £6m investment in the CCLA Local Authorities' Property Fund); and

The Committee approved the amendment of the Treasury Management Strategy Statement and the Annual Investment Strategy to remove the minimum sovereign credit rating requirement from investments in UK institutions. In the unlikely event that the UK's sovereign rating is downgraded, the Council must still be able to invest in UK banks and building societies.

7. INTERNAL AUDIT - MONITORING REPORT 30 JUNE 2018.

Gillian Edwards, Audit and Risk Manager introduced the report which noted that the purpose of the report was twofold; to update the Committee on the progress of the 2018/2019 Internal Audit Plan and to report on the progress made in implementing previously agreed recommendations. She also informed the Committee that a Substantial Assurance had been provided following an audit on Taxi and Private Hire Drivers Licenses. Other work that had been undertaken in the period was listed in Appendix A. The Audit and Risk Manager noted that the Business Unit Leader for Revenues and Benefits had identified Data Tank through a procurement process for a wider Single Person Discount (SPD) review that also investigates data matches, such as the National Fraud Initiative (NFI) Data Matching, and the matches have been passed to this company for investigation. She commented that 4,000 letters had now been sent to review the SPD status and advised that an update report would follow in February 2019. The audit plan should be substantially completed by

31 March 2019 and additional resources were available if required to ensure the deadline is met. It was noted that acronyms should be listed in full in the report, for the first time it is used.

In response to a Members question regarding the potential impact of Brexit, the External Audit and Risk Manager noted that she currently had no proposals and would wait for recommendations from the Auditors.

She confirmed that under an exemption in the General Data Protection Regulations (GDPR) the Council could legitimately use personal data for the detection of crime and any data used is encrypted and securely uploaded.

RESOLVED

The Committee received and noted the report.

8. COMMITTEE WORK PROGRAMME

Members were asked to note the Work Programme. Several Members commented on the number of the reports that had been rescheduled for the February meeting. A discussion was held to determine whether the Chairman and Vice-Chairman could deal with non-urgent reports. However the Committee meetings should be held to ensure transparency to the Public.

RESOLVED

That the Committee Work Programme for 2018/19 be noted accordingly.

9. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 10.2 DUE NOTICE OF WHICH HAS BEEN GIVEN.

None.

The meeting finished at 7.25 pm

Chairman