

**Minutes of a meeting of Audit Committee  
held on Tuesday, 15th September, 2020  
from 6.00 pm - 6.53 pm**

**Present:** M Pulfer (Chair)  
R Cromie (Vice-Chair)

A Boutrup  
M Cornish

S Hicks  
L Stockwell

**1. ROLL CALL AND VIRTUAL MEETINGS EXPLANATION.**

The Chairman introduced the meeting and took a roll call of Members in attendance. The Legal Officer explained the virtual meeting procedure.

**2. TO RECEIVE APOLOGIES FOR ABSENCE.**

None.

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

None.

**4. TO CONFIRM THE MINUTES OF THE PREVIOUS MEETING HELD ON 3 MARCH 2020.**

The Minutes of the meeting of the Committee held on 3 March 2020 were agreed as a correct record and signed by the Chairman.

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

None.

**6. AUDIT PROGRESS REPORT 2019/20.**

Jack Dunkley, Ernest & Young introduced the report and thanked the Council's Finance Team for their assistance with this year's audit.

Members queried how the audit was conducted, how evidence was provided to EY, and third-party going concern liabilities relating to receipt of commercial income.

The External Auditor noted the regular virtual meetings held with the Finance Team and the use of a client portal to upload evidence in the absence of face to face meetings with inspection of documents. During the audit EY had looked at

commercial income, recovery of that income as a bad debt, and the assumptions the Council were making in relation to debtors.

As there were no further questions the Chairman took Members to the recommendations in the report which were agreed unanimously.

#### **RESOLVED**

The Committee received and noted the audit progress report and the letter from the Chairman of the Committee to EY.

### **7. INTERNAL AUDIT ANNUAL REPORT 2019/20.**

Chris Bower, Senior Internal Auditor introduced the report.

Members discussed whether the Council was getting value for money and how their finances were managed, benchmarking the Council against other local authorities, changes to the current decision making due to the pandemic, sought confirmation that internal controls measures were still satisfactory,

As there were no further questions the Chairman took Members to the recommendations in the report which were agreed unanimously.

#### **RESOLVED**

The Committee received and noted the report.

### **8. INTERNAL AUDIT - MONITORING REPORT 31ST AUGUST 2020**

Chris Bower, Senior Internal Auditor introduced the report and noted that three audits were still in progress.

Members expressed concern with the frequency of bank reconciliations and the controls in place for the Council's bank accounts.

The Senior Internal Auditor confirmed that bank reconciliations are completed at the end of each month and there are individual daily controls, more frequent reconciliations would increase work-load and the current procedures work well. He noted there had been an issue with the reconciliations not being performed to the correct standard, this had now been rectified and he confirmed that the external auditors were content. A Member requested the update on contract documentation which had been noted in item 5 of the last committee meeting.

The Head of Corporate Resources suggested that a report is provided by the internal auditors at the meeting in November.

As there were no further questions the Chairman took Members to the recommendations in the report which were agreed unanimously.

#### **RESOLVED**

The Committee received and noted the report.

**9. REVIEW OF TREASURY MANAGEMENT ACTIVITY 2019/20.**

Peter Stuart, Head of Corporate Resources introduced the report.

Members sought an explanation of the statutory override, requested updates on Counterparty Comparisons and Adur and Worthing's use of ethical investments, sought clarification on values of the Local Authority Property Fund (LAPF), the implications from changes to borrowing from the Public Works Loan Board (PWLB)

The Head of Corporate Resources noted that the pandemic had impacted on work streams of the three local authorities. Reports would be provided at the next committee meeting to update the committee on Counterparty Comparisons and Adur & Worthing's use of ethical investments and these will be added to the Committee Work Programme. He advised that the Government agreed a five-year statutory override to avoid direct costs to Council's General Fund (the council tax raising account) caused by valuation changes in pooled investment funds. He confirmed there had been no change in the investment in the LAPF, the report detailed the valuation change. He advised that previously some local authorities had borrowed from the PWLB to purchase properties to solely generate income, however loans can still be obtained for regeneration of properties. He highlighted that properties purchased by the Council had not been completed using PWLB funds.

As there were no further questions the Chairman took Members to the recommendations in the report which were agreed unanimously.

**RESOLVED**

The Committee received and noted the report.

**10. COMMITTEE WORK PROGRAMME.**

Tom Clark, Head of Regulatory Services introduced the work programme and Members were asked to note the programme as set out at paragraph 5 of the report and the matters raised under item 9 above.

As there were no further questions the Chairman took Members to the recommendations in the report which were agreed unanimously.

**RESOLVED**

The Committee noted the Work Programme subject to minor amendments to be made by the Head of Corporate Resources and the Head of Regulatory Services.

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

None.

The meeting finished at 6.53 pm

Chairman

