

**Minutes of a meeting of the Audit Committee held on
29 September 2015 from 7.00 p.m. to 7:48 p.m.**

Present: Andrew Lea (Chairman)
John Belsey (Vice-Chairman)

Tony Dorey* Neville Walker*
Bruce Forbes Linda Stockwell

* Absent.

Also Present: Councillors Jonathan Ash-Edwards and Pete Bradbury.

Also Present (as appointed substitutes): Councillors Ruth de Mierre and Sandy Ellis.

Also in Attendance: Chris Bower, Internal Auditor and Paul King and Hannah Lill from Ernst and Young.
Peter Stuart, Head of Finance and Section 151 Officer.

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

The Committee noted that, in accordance with Council Procedure Rule 4 – Substitutes at Meetings of Committees etc. Councillors de Mierre and Ellis had replaced Councillors Walker and Dorey respectively for the duration of the meeting.

16. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Dorey and Walker

17. DECLARATIONS OF INTEREST

None.

18. MINUTES

The Minutes of the meeting of the Committee held on 30 June 2015 were agreed as a correct record and signed by the Chairman.

19. URGENT BUSINESS

None.

20. AUDIT RESULTS REPORT

Peter Stuart, the Head of Finance and HR introduced the report and informed the Committee that the audit had gone well, both parties had worked together well and the results speak for themselves.

Paul King from Ernst and Young reciprocated the comments made by the Head of Finance and confirmed that he was able to issue an unqualified opinion on the Council's financial statements and issue the Audit Certificate.

He referred Members to the Executive summary of the Audit Results report which outlined the audit results and the main areas covered. He confirmed that a number of

issues had been raised which were almost complete. He then updated Members on the progress of the audit and Members noted that there is no change to the proposed audit fee. He added that there would be a report on the Certification of Claims and Returns, which was now solely the Housing Benefit Subsidy Return, at a future meeting of the Committee.

As there were no Members wishing to speak the Chairman took the Committee to the recommendation which was agreed.

RESOLVED

That the report be received and noted.

21. APPROVAL OF THE 2014/15 FINANCIAL STATEMENTS

The Committee received a report on the Financial Statements.

The Head of Finance introduced the report and informed Members that the audit had gone well with a small number of issues being raised. He paid tribute to the Accountancy Section and their diligence and conscientious methodology in compiling the accounts.

He also informed the Committee that the Letter of Management Representation would need to be signed by the Chairman of the Committee following approval by this Committee and highlighted a change that needed to be made to the letter which had been requested by the Chairman.

In response to questions relating to the impairment of fixed asset land and buildings the external Auditor confirmed that the impairment was expected and that he was comfortable with movements in asset values and how they had been compared.

In response to a question from the Chair, the Head of Finance explained the change in 'assets under construction' was due to the Starter Units at Bridge Road having been completed.

In response to a question from the Chair, the Head of Finance confirmed that he considered the accounts to be accurate.

As there were no further questions the Chairman took Members to the recommendations.

RESOLVED

- (1) the Financial Statements be approved and the Chairman be authorised to add his signature on that document to the of the Head of Finance; and
- (2) the Letter of Management Representation, as amended, be approved and the Chairman be authorised to add his signature to that of the Head of Finance.

22. ANNUAL REVIEW OF TREASURY MANAGEMENT ACTIVITY

The Committee received a report on the Council's Treasury Management activity for the year ended 31 March 2015.

The Head of Finance introduced the report and confirmed that the present arrangement with Adur-Worthing works well.

He drew the Committee's attention to the under-performance of the budgeted estimate and explained that this was due to the reduction of available funds for longer-term investments during the year and depressed interest rates. In response to a question, he confirmed that counterparty lending limits approved at the start of the year were met and all Prudential Limits were adhered to.

In response to a question from a Member regarding long term investments the Head of Finance explained that there is no longer a demand for cash and that he proposed to bring a half yearly report to the next meeting of this Committee updating members on the situation regarding investments and added that Interest rates are falling short. The Chairman suggested that a report on this matter be presented to all future meetings of this Committee to which the Head of Finance agreed. This suggestion was supported by the Committee.

RESOLVED

That the report be received and noted and a report on the position regarding investments be submitted to future meetings of the Audit Committee.

23. INTERNAL AUDIT – MONITORING REPORT

The Committee received an update report on the progress of the 2014/2015 and 2015/2016 Internal Audit Plans and progress made in implementing previously agreed recommendations.

Chris Bower introduced the report explaining that the report from Mazars of CenSus Housing Benefits for 2014/2015 had still not been received. He confirmed that the Procurement audit was underway and that audits relating to Payroll and Treasury Management were due to commence. He updated Members on the Fraud Risk Assessment and confirmed that only two minor changes had been made.

The Internal Auditor informed the Committee that the Internal Audit Manager was due to return to the office shortly and would revisit the Audit Plan on her return. He confirmed that the audit on Value for Money would be presented to the next meeting of the Committee.

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.

24. COMMITTEE WORK PROGRAMME

The Committee received the Work Programme for 2015/16 and as there were no questions the Chairman took Members to the recommendation which was agreed.

RESOLVED

That the Committee Work Programme for 2015/16 be noted.

Chairman.