

**Minutes of a meeting of Audit Committee
held on Tuesday, 10th September, 2019
from 7.00 pm - 7.28 pm**

Present: M Pulfer (Chair)
L Stockwell (Vice-Chair)

A Boutrup

P Budgen

M Cornish

Absent: Councillors R Cromie and S Hicks

1. TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies were received from Councillors Hicks and Cromie. Cllr Stockwell agreed to stand in as Vice-chairman and this was agreed unanimously.

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

None.

3. TO CONFIRM THE MINUTES OF THE MEETING HELD ON 22 JULY 2019.

The Minutes of the meeting of the Committee held on 22 July 2019 were agreed as a correct record and signed by the Chairman.

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

None.

5. TREASURY STRATEGY UPDATE

Peter Stuart, Head of Corporate Resources introduced the report. He advised the new members of the Committee that they had inherited the risk appetite from the previous committee. This was detailed in the report and he invited the Members to endorse the report or make changes. He noted that Council is a prudent authority and highlighted that the historic risk of default was extremely low.

The Chairman asked for comments on the report.

Several Members noted that they were content with the report and did not wish to make any changes. A Member asked whether the Council invested funds abroad and queried the maturity dates of some investments. Peter Stuart, Head of Corporate Resources confirmed that the Council did not invest funds abroad because the financial institutions did not have the required ratings. He stated that money market funds were available at 24 hours' notice and the Handelsbanken account was a call account with immediate access.

In response to a Member's question he advised the Committee that the Council's reserves were higher than Adur and Worthing and were healthy compared to other local authorities.

A Member asked whether Brexit had any implications on the risk factor of investments.

The Head of Corporate Resources advised that the yield of investments was unlikely to change as all investments had a fixed rate on interest, and the rate of interest for money market funds was set on the date of the investment. The security and liquidity of investments should also be unaffected. He confirmed that all investments were reviewed by the shared service when required and amendments made if necessary.

Following a question from the Chairman, the Head of Resources informed the Committee that regular reviews compare the actual performance with the forecast performance and results are published in the budget management report. The team are always looking for the best rate.

The Chairman noted the substantial spread of risk for the Council's investments.

The Head of Resources confirmed that all investments were within the statements agreed by the previous Audit Committee in March 2019 and investments in Building Societies were safe. He advised the Committee that CCLA are a property fund that aggregates funds from across the local government sector, they buy properties and the Council receives a dividend rather than rental income. The value of the property investments may go down but the dividend is still paid. He is content with how CCLA run their business and the Council is reassured with the spread of investments. He highlighted that values of any investments can fluctuate.

The Chairman advised that there is a sufficient spread of investments to allow for any losses. 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.

6. INTERNAL AUDIT - MONITORING REPORT 31 AUGUST 2019.

Chris Bower, Senior Internal Auditor introduced the report. He noted that audits had been completed for Temporary Accommodation and Housing Allocations both with a 'substantial assurance' rating. He informed the Committee that audits were in progress for commercial properties, an HR review and procurement and would report on these up at the next meeting,

A Member commented that some medium priority findings from the Housing Benefit review were still outstanding and a completion date of December 2019 was rather long.

The Auditor noted this was due to the work load of the team and the recent reorganisation. He advised that there would be another audit for the department in November and he would ensure the proposed date of completion of the findings would be adhered to. The Member stated that the Committee would expect a report at end of the year and he confirmed this would be received.

In response to a further question from the Member he informed the Committee that work for 2018/19 audit plan year was almost complete and work had already started on 2019/20.

A Member was concerned that reports were not being finished and the Auditor advised that he is following up on the outstanding audits and expected to complete these by the next meeting.

Following a suggestion from the Head of Corporate Resources it was agreed that if any priority findings were outstanding the Business Unit Leader for Revenues and Benefits would be invited to the next meeting to address the Audit Committee.

The Chairman commented on the wording used on page 14 of the report, high priority findings from the audit on 31 January 2019 and the completion timescales of the work in progress.

The Auditor advised that in future the wording of the report would be more affirmative and hoped to complete all work in progress by the next meeting.

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.

7. 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. he noted that standard items would be discussed in the meetings in November and March 2020. The Head of Corporate Resources advised members that that the report on grants certification is the housing benefits subsidy.

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.

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

None.

The meeting finished at 7.28 pm

Chairman