

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Tuesday 22 September 2009

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors R Raynor (Chair), J Gardner
(Vice-Chair), B Clark, J Hollywell, M Notley
Independent: B Mitchell

Agenda Item:

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In Attendance: Councillors Mrs J Lloyd

Start/End Time: Start Time: 6.00 p.m.
End Time: 7.05 p.m.

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for lateness had been received from the Strategic Director (Resources).

There were no declarations of interest made at the meeting.

2 MINUTES - 8 JUNE 2009

In relation to Members' expenses, the Committee noted that a report on the recent review of the Scheme of Members' Allowances had been submitted to the Standards Committee. In addition, a new IT system for requesting, authorising and recording expenses had been developed and would be in use by October. It was agreed that a future meeting of the Audit Committee should receive a report on the operation of this system and that the Standards Committee report should be appended.

It was **RESOLVED** that the Minutes of the meeting held on 8 June 2009 be approved as a correct record and signed by the Chair.

3 MINUTES - 29 JUNE 2009

It was **RESOLVED** that the Minutes of the meeting held on 29 June 2009 be approved as a correct record and signed by the Chair.

4 EXTERNAL AUDITOR'S ANNUAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2008/09

The Audit Committee considered a report which presented the External Auditor's Annual Report, the Council's letter of representation, and the updated Statement of Accounts. Justin Collings from the Council's External Auditors (Grant Thornton) was invited to present the Annual Report, which highlighted key issues arising from the audit of the Statement of Accounts 2008/09.

It was noted that no material changes had been required to the Statement of Accounts, although a number of presentational amendments had been made. In addition, a further adjustment had been made in relation to the group accounts, owing to changes between the draft and final version of the accounts received from Stevenage Homes Ltd (SHL).

Members indicated that they were content to accept officers' proposal not to adjust the accounts to reflect the External Auditor's request regarding moving £94k relating to Supporting People from bad debt provision into creditors.

The Committee also confirmed that it was satisfied that the accounting policies adopted were the most appropriate, as required under Financial Reporting Standard (FRS) 18.

The Head of Finance referred to some minor typographical amendments to the Independent Auditor's Report, as appended to the Statement of Accounts. Copies of the finalised version of this document were tabled.

On behalf of the Committee, the Chair thanked the officers involved in producing and finalising the Statement of Accounts. It was noted that the External Auditors would be providing an unqualified opinion on the Statement of Accounts, following the Council achieving a level 2 score in each of the Key Lines of Enquiry for the Use of Resources assessment.

It was **RESOLVED**:

1. That the Annual Report to Those Charged with Governance for 2008/09, as set out at Appendix A to the report, be approved.
2. That the Council's Letter of Representation, as set out at Appendix B to the report, be approved.
3. That the updated Statement of Accounts 2008/09, as set out at Appendix C to the report, be approved.

5 DATA QUALITY ACTION PLAN PROGRESS REPORT

The Audit Committee considered a report which set out progress made against the Action Plan as noted at the meeting on 8 June.

Officers reported that despite some minor delays, the vast majority of the actions on the plan had been completed.

It was **RESOLVED**:

1. That the progress made against the actions set out in the Council's Data Quality Action Plan 2009/10 be noted.
2. That the Committee's appreciation for officers' work in this area be noted.

6 INTERNAL AUDIT PROGRESS REPORT

The Audit Committee considered a report which presented progress made against the 2009/10 Internal Audit Plan, and which sought an amendment to the plan.

It was noted that 31% of the plan had been delivered as of 10 September, which was 13% below the target level for that stage in the year. Based on the proposals in the report, it was anticipated that 95% of the Audit Plan could be completed by the year end. Resources would be prioritised to ensure that audit work on the Key Financial Systems was completed.

Further to questions regarding the overall delivery of the plan, it was **RESOLVED** that, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following discussion on the grounds that it involves the likely disclosure of exempt information as described in paragraph 1-7 of Part I of Schedule 12A of the said Act, as amended by SI 2006 no. 88.

Part II

Officers gave an update regarding the reasons for some overrun audits, and issues regarding the future delivery of the plan, following which the meeting moved back into Part I and readmitted the press and public.

Part I

It was noted that the Car Parking audit had exceeded its budgeted time allocation by over 300%. As a result, the final report would be submitted to the Committee once it had been finalised.

It was **RESOLVED** that the Internal Audit quarterly report as at 10 September 2009 be noted and the amendments to the audit plan, as set out at paragraphs 4.5, 4.6 and 4.7 be approved.

7 URGENT PART I BUSINESS

None.

8 EXCLUSION OF THE PRESS AND PUBLIC

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraph 1-7 of Part I of Schedule 12A of the said Act, as amended by SI 2006 no. 88.
2. That, having considered the reasons for the following report being in Part II, it be agreed that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

9 STRATEGIC RISK REGISTER QUARTER 1 2009/10

The Audit Committee considered a report which set out the Council's Strategic Risk Register for Quarter 1 of 2009/10. The Finance Projects Manager provided an explanation of the risks which had been transferred, updated or added since the register was last reported to the Committee.

It was **RESOLVED**:

1. That the Quarter 1 2009/10 Strategic Risk Register (as set out at Appendices A1-A5) be noted.
2. That progress in developing the Council's risk arrangements be noted.

10 URGENT PART II BUSINESS

None.