

**AUDIT COMMITTEE
MINUTES**

Date: Wednesday 15 June 2011

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors: J Gardner (Vice Chair - Presiding),
P Bibby CC, D Cullen, S Walker and M Yarnold-Forrester.
Independent: B Mitchell

In Attendance: Helen Maneuf (Shared Internal Audit Service)
Phil Westerman (Grant Thornton)

Started: 6.00 p.m.

Ended: 7.35 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for absence was received from the Chair, Councillor L Chester.

There were no declarations of interest.

2. MINUTES – AUDIT COMMITTEE – 7 MARCH 2011

Subject to the amendment of the wording of the final paragraph of item 4 to read 'A Member requested that in future the agenda state the action required by the Committee for each item with regard to reports from the External Auditor', it was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 7 March 2011 be approved as a correct record and signed by the Chair.

The Committee was advised that a report of the administration of the Members' Allowance Scheme would be presented at the September meeting.

3. ANNUAL GOVERNANCE STATEMENT 2010/2011

The Performance and Improvement Manager presented a report to advise Members on the content of the Council's Annual Governance Statement for 2010/11 following the review of the effectiveness of the Council's system of internal control and highlighted a number of minor detail changes to the statement.

The Committee was advised that changes to the Council's Scrutiny and Overview structure would be detailed in the Annual Governance Statement for 2011/12.

In reply to a question the Committee was advised that the Corporate Governance Group would ensure that issues raised at the Audit Committee would be effectively monitored.

In reply to a further question the Committee was advised that the format of the Council's Annual Governance Statement was consistent with that used by other local authorities in Hertfordshire.

It was **RESOLVED** that the Annual Governance Statement 2010/2011, as attached to the report at appendix One, be recommended for approval by Council.

4. GRANT THORNTON 2011/2012 FEE LETTER

Phil Westerman of the Council's Auditors, Grant Thornton, presented a report to summarise the proposed work for 2011/12 and the associated indicative fee.

Members were reminded that there had been a debate concerning the level of the fee at the March meeting and that the issues raised at that meeting had been factored into the fee for 2011/12.

In reply to a question the Committee was advised that the Council had a relatively low risk rating and Phil Westerman undertook to inform Members exactly where the Council was positioned on the overall risk scale and what actions could be undertaken by the Council to further reduce its risk rating.

It was **RESOLVED** that the report be noted.

5. SHARED INTERNAL AUDIT SERVICE (SIAS)

Helen Maneuf, Head of Assurance (SIAS), presented a report to introduce SIAS to the Audit Committee.

The Committee was advised that SIAS wished to maintain the 'feel' of an in-house team whilst maximising the benefits of a larger team in terms of the skills base and resource available.

The Committee requested that subsequent reports be presented with the recommendations listed at the beginning of the report.

The Committee was advised that SIAS would continue to prepare the range of audit reports currently received but there might be some

changes to the format and content as a standardised approach was developed. In reply to a question it was confirmed that the external auditor had been briefed on potential changes to reports.

In reply to a further question the Committee was advised that the team would be based in Robertson House in Stevenage but that individual team members would be allocated to areas where their expertise was most needed. However it was expected that there would be continuity of SIAS representation at district level.

It was **RESOLVED** that the report be noted.

6. INTERNAL AUDIT PROGRESS REPORT

The Chief Internal Auditor presented a report on the progress made against the 2011/12 Internal Audit Plan.

The Committee was advised that 13% of the programme had been delivered up to the end of May 2011 and that 97% of the recommendations following the report on car parks had been implemented. Of the high priority recommendations one, the Asset Management register 2009/10 had been implemented, whilst another, The Integra Finance Application Audit 2008/09 had been closed pending the preparation of a new report on Business Continuity.

Members expressed concern about the reconciling of car park finances and in reply to a question about the monitoring of car park revenues the Head of Finance undertook to highlight any areas of concern to the Committee.

It was **RESOLVED** that the Internal Audit quarterly report as at 31 May 2011 be noted.

7. URGENT PART 1 BUSINESS

There was no urgent Part 1 business.

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 paragraphs 1-7 of Part I of Schedule 12A of the Act, as amended by SI 2006 No.88.

2. That having considered the reasons for the following report being in Part II it be determined that maintaining the exemption from disclosure

of the information contained therein outweighs the public interest in disclosure.

PART II

9. PART II MINUTES – 7 MARCH 2011

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 7 March 2011 be approved as a correct record and signed by the Chair.

10. STRATEGIC RISK REGISTER QUARTER 4 2010/11

It was **RESOLVED** that the Quarter 4 2010/11 Strategic Risk Register be noted.

11. URGENT PART II BUSINESS

None.

Chair