

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE
MINUTES**

Date: Wednesday 28 March 2012

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

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

Started: 6.00 p.m.

Ended: 7.05 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for absence was received from Councillor D Cullen.

There were no declarations of interest.

2. MINUTES – SPECIAL AUDIT COMMITTEE – 13 FEBRUARY 2012

It was **RESOLVED** that the Minutes of the meeting of the Special Audit Committee held on 13 February 2012 be approved as a correct record and signed by the Chair.

3. CERTIFICATION WORK REPORT 2010 / 2011

The Committee had before it the Certification Work report from the Council's External Auditors Grant Thornton.

The Committee was advised that the work of the External Auditors had highlighted no significant issues relating to the systems and controls in place to administer and record grant receipts at the Council.

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

4. AUDIT PLAN 2011 / 2012

The Committee had before it a report which detailed the work carried out by the Council's External Auditors Grant Thornton in connection with the Audit Plan 2011/2012.

The Committee was advised that reporting would be through the External Auditors ISA 260 report and that an updated report would be available for the next meeting.

In reply to a question concerning fees the Committee was advised that the Council could expect a minimum 10% reduction in its fee for the 2012 / 2013 Audit. A more detailed report would be available for the next meeting.

In reply to a further question the Committee was advised that fees were set using a formula provided by the Audit Commission and were dependent on the level of expenditure made by the Council. Therefore fees paid by the Council should be in line with those paid by neighbouring authorities.

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

5. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager presented a report to provide the Committee with details of progress against the Internal Audit Plan and to request approval of proposed amendments to the Audit Plan as at 16 March 2012.

The Committee was advised that a further four audit projects had been completed to draft report stage since the publication of the agenda. This had increased the percentage of projects completed to this stage from 54% to approximately 69%.

In reply to a question the Committee was advised that the outstanding audit projects from 2011 / 2012 had been scheduled for early April.

In reply to a further question concerning the recommendations arising from the Stevenage Day event the Committee was advised that changes to the Council's Financial Regulations, as presented at the last meeting, should prevent a recurrence of the issues experienced at the event in 2011.

It was **RESOLVED:**

1. that the report be noted.
2. that the amendments to the Audit Plan as at March 2012, as highlighted in the report, be approved.

6. INTERNAL AUDIT – STEVENAGE HOMES TRANSFERRED SERVICES - STATUS

The Committee had before it a report detailing Internal Audit activity up to November 2011 in connection with the services provided by Stevenage Homes Limited.

The Committee was advised that a full report from PKF (UK) LLP would be available for the next meeting.

In reply to a question the Assistant Director (Finance) confirmed that the finance actions from the audit had been dealt with since the transfer of Stevenage Home to the Council.

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

7. SHARED INTERNAL AUDIT SERVICE (SIAS) – TERMS OF REFERENCE

The Internal Audit Manager presented a report to provide Members with the SIAS Terms of Reference.

It was **RESOLVED** that the SIAS Terms of Reference be accepted.

8. INTERNAL AUDIT PLAN 2012 / 2013

The Committee had before it a report detailing the Shared Internal Audit Services (SIAS) Audit Strategy 2012 / 2013 and the proposed Stevenage Borough Council Internal Audit Plan 2012 / 2013.

The Committee was advised that there was open dialogue between Council Officers and the Internal Auditors and that the plan was sufficiently flexible to meet changing demands.

In reply to a question the Assistant Director (Finance) confirmed that the plan had been considered and approved by SMB.

In reply to a further question the Council's External Auditors confirmed that the plan met the necessary requirements.

It was **RESOLVED:**

1. that the SIAS Audit Strategy 2012 / 2013 be accepted
2. that the proposed Stevenage Borough Council Internal Audit Plan 2012 / 2013 be approved.

9 CORPORATE GOVERNANCE ARRANGEMENTS

The Performance and Improvement Manager presented a report to advise the Committee of the Council's corporate governance self assessment process and to update it of progress made against actions identified for delivery in 2011 / 2012 and to advise of actions planned for 2012 / 2013.

In reply to a question the Committee was advised that an audit of the Corporate Governance Arrangements had not been programmed by the Shared Internal Audit Services team for 2012 / 2013, however it could be factored in if required.

The Committee was further advised that the Corporate Governance Arrangements formed part of the Annual Governance Statement which would be audited.

It was **RESOLVED:**

1. that the Council's self assessment be noted
2. that progress made against actions identified for delivery in 2011 / 2012 and actions planned for 2012 / 2013 to enhance the Council's corporate governance arrangements, as identified in Appendix A, be noted.

10. URGENT PART 1 BUSINESS.

None.

11. 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

12. STRATEGIC RISK REGISTER QUARTER 3 2011 / 2012

The Performance and Improvement Manager presented the Quarter 3 Strategic Risk Register.

The Committee was advised of changes made to the register since the last meeting.

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

13. URGENT PART II BUSINESS

None.

Chair