

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Wednesday 16 January 2008

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: R. Raynor (Chair), J. Gardner (Vice Chair),
H. Burrell, J. Hollywell, M. Mason
Independent: Brian Mitchell

Agenda Item:

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In Attendance: Leena Baines - Audit Commission

Start/End Time: Start Time: 6.00 p.m.
End Time: 7.35 p.m.

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence and no declarations of interest

2 MINUTES - 27th September, 2007

The Minutes of the meeting of the Audit Committee held on Tuesday 27th September 2007, having been circulated, were taken as read and it was RESOLVED that they be signed as a correct record.

The Committee was updated on the following matters:

1. that a report would be submitted to the March meeting of the Committee on process mapping for Accountancy
2. Henry Lewis updated the Committee on IT Business Continuity arrangements which would be included in a report to the next meeting
3. the follow up report from the Anti-fraud Manager would also be submitted to the March Committee
4. Officers agreed to advise Councillor Gardner on the turn around times for Bus Pass administration
5. Officers were requested to send a copy of the last quarter's Strategic Risk Register to Members of the Committee. In future reports would be submitted to this Committee on a quarterly basis starting with the March meeting

3 AUDIT COMMISSION ANNUAL GOVERNANCE REPORT - UPDATE ON ACTION PLAN

The Head of Finance submitted an update on the Action Plan following the approval of the Audit Commission Annual Governance Report by this Committee at its September meeting.

It was RESOLVED:

1. that progress in implementing the Action Plan be noted; and
2. that a comprehensive report on progressing the Action Plan be submitted to the March meeting of this Committee

4 INTERNAL AUDIT UPDATE AS AT 30TH NOVEMBER 2007

A report was submitted detailing the progress of Internal Audit against the Annual Audit Plan for 2007/08, proposing amendments to the Plan and also giving an update in the provision of audit partnership services with North Hertfordshire District Council (NHDC).

It was noted that although several planned audits for the Council were progressing, only an Allocations Audit for Stevenage Homes Limited (SHL) had been completed during the 3 month period from September 3rd to 30th November. Investigative and consultancy work had however been carried out for both SBC and SHL.

Following the termination of the partnership with Uttlesford DC a pilot six month replacement partnership arrangement had commenced at the beginning of July 2007 with the North Herts Audit Manager working two days at each site. Members were advised of the effect of the reduction in Audit Manager days and the subsequent impact on productive days in the service.

Members expressed concern that the new partnership with North Herts District Council (NHDC) did not appear to be as effective as the previous arrangement but noted that officers were considering alternative ways forward for the Service.

Officers also advised that the number of days taken up with audits and special investigations for SHL was far in excess of what was previously envisaged. Following discussion it was agreed that it would be of use to this Committee if the minutes of the SHL Audit Committee were brought before this Committee as a regular item for consideration at future meetings.

It was RESOLVED that

1. The Internal Audit quarterly report as at 30 November 2007 be noted;
2. That the proposed amended plan to cover the period 3 December 2007 to 31 March 2008 be agreed;
3. The update in the provision of audit partnership services with NHDC be noted;
4. The Chair to be kept informed of the progress of the Audit Plan, particularly with regard to any slippage in the Programme; and
5. Officers be requested to look into the possibility of having SHL Audit Committee's Minutes as a regular item on the agenda for future meetings of this Committee

5 INTERNAL AUDIT REPORT - HOUSING RENTS

The Audit Manager submitted a report providing Members of the Committee with internal audit assurance in relation to Housing Rents. Members were pleased to note that the two areas of high risk found as a result of the audit carried out had now been addressed.

It was RESOLVED that Members note the Internal Audit report and completed Management Action Plan.

6 REVIEW OF INTERNAL CONTROL/ANNUAL GOVERNANCE STATEMENT

The Interim Head of Finance submitted a report seeking approval to how the Council prepared and developed a Corporate Governance Framework in order to meet the new statutory requirement of producing an Annual Governance Statement in the Statement of Accounts.

Members were advised that a joint workshop would be arranged for members of the Audit and the Standards Committees before the next meeting of this Committee.

It was RESOLVED that the Committee approve the proposals to:

1. Adopt a framework for 'Good Governance in Local government'.
2. Implement a Local Code of Corporate Governance and support the approach to implementation as set out in paragraph 4.2 of the officer's report.
3. Submit the Local Code of Corporate Governance Framework to the Audit Committee on 17 March 2008.

7 SECURE EXCHANGE OF CONFIDENTIAL ELECTRONIC DATA

The Head of E-Government and Business Systems submitted a report outlining the key systems in place within the Council to safeguard the exchange of personal data to third parties. The Committee were advised of proposals to improve upon existing procedures and to address the Council's responsibilities for safeguarding both physical and electronic data generally.

It was RESOLVED:-

1. That the Committee notes that a central register setting out details of personal electronic data exchanged with third parties will be implemented as a priority.
2. That the Committee notes that a review of training and guidance provided to staff on the subject of the Data Protection Act will be undertaken by the end of February 2008.
3. That the Committee notes that an officer led Security Panel will be set up to establish the overall level of compliance with ISO 17799, the international code of practice covering information security management and will report with recommendations by September 2008.
4. That a further report be brought back to the Committee on details of the Council's compliance with regard to procedures and responsibilities in this area.
5. That the Committee notes that a decision on whether to participate in the Government's Secure Information Network will be made by the end of April 2008.
6. That officers be requested to look into any issues which could arise for the Council after personal information is passed on to third parties such as SERCO.

7. That officers send a copy of this report together with the Committee's comments to Councillors Sharon Taylor and Richard Henry for their information.

8 FINANCIAL TRANSACTIONS ADMINISTERED THROUGH THE CUSTOMER SERVICE CENTRE

Following a request at the last Audit Committee, the Head of E-Government and Business Services submitted a report which provided a summary of services transferred to the Customer Services Centre (CSC). The request was made following a report concerning problems which had been identified with the financial controls operating in the CSC concerning the administration of bus passes. It was noted that all concerns had now been rectified.

Following discussion and consideration of the Health and Safety issues within the Customer Services Centre, It was RESOLVED that:

1. the Committee notes the services transferred to the Customer Service Centre and the nature of the financial transactions that are administered and
2. that a report be brought back to the next meeting on the issues around payment methods including details of the health and safety issues around the ATM machine located in the CSC

9 BEST VALUE PERFORMANCE PLAN STATUTORY REPORT

The Interim Head of Finance informed Members of the Audit Commission's report on the Statutory Best Value Performance Plan (BVPP). Members were pleased to note that the District Auditor had not identified any matters to report to the Council and no recommendations to make on procedures in relation to the Plan.

It was RESOLVED that the Audit Commission's report on the Best Value Performance Plan be noted.

10 URGENT PART I BUSINESS

The Committee expressed their appreciation to John Dickson, Interim Head of Finance who was attending his last meeting before the new Head of Finance took up position.

11 EXCLUSION OF THE PRESS AND PUBLIC

None

12 URGENT PART II BUSINESS

None