

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Monday 12 January 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

Agenda Item:

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Independent: B Mitchell

In Attendance: Councillor Mrs J Lloyd

Start/End Time: Start Time: 6.00 p.m.
End Time: 7.26 p.m.

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

No apologies for absence had been received.

There were no declarations of interest.

2 MINUTES - 17 NOVEMBER 2008

In relation to Minute 3 "Review of the Council's Treasury Management Strategy", the Strategic Director (Resources) commented that due to the current financial turbulence, Officers were now undertaking weekly reviews of the Treasury Management Strategy. Arrangements had also been established for monitoring the stability of banks with whom Stevenage Borough Council (SBC) funds were held, and for identifying if these banks were considered to be "at risk". Officers had also developed criteria for maximum sums to be held with one institution. The Head of Finance added that the majority of SBC's current investments were temporary to allow for maximum flexibility.

It was **RESOLVED** that the Minutes of the meeting of the Committee held on 17 November 2008 be approved as a correct record and signed by the Chair.

Before moving to the main business on the agenda, the Chair stated that a report on data security would be presented to the next meeting of the Committee. The Strategic Director (Resources) commented that the scope of the report had been expanded to cover the destruction of confidential waste, and the use of digital data storage such as CDs and memory sticks.

The Chair also reported that he had attended a training event at the London Borough of Croydon, regarding the role of Audit Committees in the Comprehensive Area Assessment (CAA) process. He undertook to circulate the information to all members of the Committee.

3 USE OF RESOURCES 2008-09

The Strategic Director (Resources) introduced the report, providing the context of the Council's score in the Use of Resources assessment in 2007/08. He commented that the publication of the score for 2008/09 was currently embargoed, although this would be formally reported to the Committee at its meeting in March.

The Chief Internal Auditor introduced Justin Collings and Paul Winrow of Grant Thornton, the Council's Appointed Auditors.

In presenting the report which had been circulated with the agenda papers, the Appointed Auditor explained that significant changes had been made to the Use of Resources Assessment framework for the 2008/09 year. The criteria for a level 3 score now required the Council to "demonstrate effective outcomes of activities...undertaken to improve services to residents".

It was noted that, as the Use of Resources score would contribute to the Comprehensive Area Assessment (CAA) process, it was crucial that the Council adapted to the new framework and in particular the need to demonstrate outcomes. The Strategic Director (Resources) undertook to involve the Audit Committee in the self-assessment process.

It was **RESOLVED**:

1. That the changes to the Use of Resources assessment starting in the 2008/09 financial year be noted;
2. That officers be instructed to consult the Audit Committee on the draft Use of Resources 2008/09 self-assessment prior to submission of the document; and
3. That officers be instructed to consider providing training for Members on the revised Use of Resources assessment framework.

4 TOWN CENTRE REGENERATION - PROJECT AND RISK MANAGEMENT AUDIT

The Head of Planning and Regeneration updated the Committee on the implementation of recommendations arising from the Audit Commission's audit of the Town Centre regeneration proposals, which had been undertaken in early 2008 as part of the 2007/08 Audit Plan.

In relation to the action plan setting out the recommendations, it was reported that all actions had either been completed or were on-going. The action relating to the revised governance structure for the project would be considered at the next meeting of the Member Reference Group in February.

It was **RESOLVED** that the contents of Audit Commission Final Report, including the Action Plan to deal with the Report's recommendations (Appendix A of the report), be noted.

5 INTERNAL AUDIT PROGRESS REPORT

The Chief Internal Auditor introduced the report which set out the progress made

against the Internal Audit Plan 2008/09 during the period 1 September 2008 to 31 December 2008.

It was reported that, although the plan would not be fully delivered by 31 March, it was anticipated that the key financial systems would have been completed by the end of the financial year. The delivery of the overall plan had been delayed by a number of individual audits exceeding their time allocation, and a number of measures had been agreed with the Head of Finance to address this in future. In addition, Stevenage Homes Ltd (SHL) had appointed an external provider to undertake their Internal Audit service. This had increased the resources available to deliver the Council's Internal Audit Plan.

The report also detailed a number of proposed amendments to the 2008/09 plan for Members' approval. However, the proposed deferral of some audits from 2008/09 to 2009/10 would impact on the delivery of the 2009/10 Audit Plan, the draft of which would be presented to the next meeting of the Committee for approval at its next meeting.

Referring to the delay in the completion of some individual audits, officers explained that this was attributable to a number of reasons which had since been addressed. However, it was not considered that the subject matter of the audits gave cause for concern.

It was **RESOLVED**:

1. That the Internal Audit progress report as at 31 December 2008 to be noted and the proposed amendments and deferrals to the audit plan be approved;
2. That, notwithstanding the Committee's dissatisfaction with the lack of progress on the Internal Audit Plan 2008/09 to date, the work undertaken by officers to set a more realistic plan for 2009/10 be acknowledged; and
3. That officers be instructed to report to the Committee any future instances where an individual audit has gone over the budgeted timescale by a factor of two or more.

6 URGENT PART I BUSINESS

None.

7 EXCLUSION OF THE PRESS AND PUBLIC

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 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 SI2006 No. 88.

8 STRATEGIC RISK REGISTER QUARTER 3 2008/9

It was **RESOLVED** that the recommendations in the report be agreed.

9 URGENT PART II BUSINESS

None.