

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE
MINUTES**

Date: Monday 14 June 2010

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors: L Chester (Chair), P Bibby CC, D Cullen, J Gardner and R Parker CC.
Independent: B Mitchell

In Attendance: Councillor Mrs J Lloyd
Nick Taylor – Grant Thornton

Started: 6.00 p.m.

Ended: 7.30 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for absence was submitted on behalf of Councillor R Clark.

There were no declarations of interests.

2. MINUTES - AUDIT COMMITTEE - 16 MARCH 2010

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 16 March 2010 be approved as a correct record and be signed by the Chair.

3. TERMS OF REFERENCE

It was **RESOLVED** that the Terms of Reference be noted.

4. UPDATE FROM THE COUNCIL'S EXTERNAL AUDITORS

The Committee received an oral report from Grant Thornton, the Council's External Auditors to update members.

Members were advised that the audit on the account would begin in mid July and that an interim audit had been completed which had raised no specific issues.

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

5. INTERNAL AUDIT PROGRESS REPORT

The Chief Internal Auditor presented a report on the progress made against the 2009/10 and 2010/11 Internal Audit Plan and highlighted that 18% of the 2010/11 Audit Plan had already been delivered – which was 1% ahead of schedule; that none of the 2010/11 completed audit activity had overrun by more than 100%; and that there were no proposed amendments to the Internal Audit Plan at this time.

An additional Audit Committee meeting would be held on 22 July 2010 to consider Business Continuity and I.T. disaster recovery plans.

It was **RESOLVED** that the Internal Audit quarterly report as at 31 May 2010 be noted.

6. INTERNAL AUDIT ANNUAL REPORT AND ANNUAL ASSURANCE STATEMENT FOR THE YEAR ENDING 31 MARCH 2010

The Committee considered the report which set out the Internal Audit Annual Report and Annual Assurance Statement for the year ending 31 March 2010.

The Chief Internal Auditor stated that from the Internal Audit work undertaken in 2009/10 he could provide a 'moderate' assurance that the system of internal controls that had been in place for the year ending 31 March 2010 accorded with proper practice.

Members expressed concern at the instances of non compliance with Contract Standing orders. The Head of Finance advised that probity checks were in place on all contracts in excess of £75,000, that a new Procurement Officer had recently been appointed and that new targeted procurement training was in place which should help to address this issue.

It was noted that there had been a decrease in the average Internal Audit Satisfaction Scores. The Chief Internal Auditor explained that as some of the work had been undertaken by external suppliers the low scores may be due to their limited local knowledge. He explained that where there had been low scores he was looking to improve the service.

It was **RESOLVED** that the Internal Audit Report and Annual Assurance Statement for the year ended 31 March 2010 be noted.

7. ANNUAL GOVERNANCE STATEMENT 2009/10

The Committee considered the report which presented the Council's Annual Governance Statement for 2009/10. The Annual Governance Statement was a statutory document which reviewed the effectiveness of the system of internal control and which formed part of the Statement of Accounts due for final approval on 28 June 2010.

The Head of Finance commented that the Action Plan was only currently reviewed on a yearly basis and suggested that the Members may wish to receive an update on a sixth monthly basis.

It was **RESOLVED:**

1. That the 2009/10 Annual Governance Statement be noted for inclusion in the 2009/10 Statement of Accounts to be presented to the Audit Committee at its next meeting on 28 June 2010.
2. That updates to the Annual Governance Statement be reported to Members on a six monthly basis.

8. URGENT PART I BUSINESS

It was noted that a briefing for Members of the Audit Committee and the Statement of Accounts Committee would take place on Wednesday 23rd June at 6.00 pm

9. 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 reports being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.
3. That notwithstanding resolution 1 above, Nick Taylor from Grant Thornton, the Council's External Auditors, be allowed to remain in the meeting for the Committee's consideration of the Part II items.

PART II

10. CAR PARKS INTERNAL AUDIT REPORT AND PROGRESS UPDATE

The Committee considered a report on the Car Parks Internal Audit and an update on the implementation status of the recommendations contained in the report.

Following a question regarding the problems identified in the report the Chief Internal Auditor commented that the actions now being undertaken would address the issues raised and assist in the protection of this income stream.

A Member requested that a further update be presented to the Committee at the meeting on 6 September.

It was **RESOLVED**:

1. That the Car Parks Internal Audit report and progress update be noted.
2. That an update to the Car Parks Internal Audit Report be presented to Members at the meeting on 6 September.

11. STRATEGIC RISK REGISTER QUARTER 3 2009/10

The Committee considered a report on the latest Strategic Risk Register for Stevenage Borough Council and the Council's updated Risk Management Strategy.

The Performance and Improvement Manager commented that the report detailed an overall improving picture.

It was **RESOLVED**:

1. That the Quarter 4 2009/10 Strategic Risk Register as shown at Appendices A1-A5 of the report be noted.
2. That the updated Risk Management Strategy incorporating developments to the Council's risk management arrangements as shown at Appendix B of the report be noted.

12. URGENT PART II BUSINESS

None

Chair