

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE
MINUTES

Date: Monday 6 September July 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, B Jackson and R Parker CC.
Independent: B Mitchell

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

Started: 6.00 p.m.

Ended: 7.15 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence nor declarations of interests.

2. MINUTES - AUDIT COMMITTEE – 22 JULY 2010

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 22 July 2010 be approved as a correct record and be signed by the Chair.

3. REVISION TO THE FINANCIAL REGULATIONS

The Head of Finance presented a report to update Members on the Revision to the Council's Financial Regulations. The Officer informed Members that the Financial Regulations were last updated in 2008/9 and that this update reflected organisational changes, strategy updates and changes to, or clarification of, policies.

Two typographical errors were noted :

- i) Page 25 Section 8.1 the words 'by the' to be deleted.
- ii) Page 59 Section 8.4 the word 'close' should not be deleted.

It was **RESOLVED** that subject to the typographical errors noted above the Financial Regulations be recommended to Council for approval.

4. **EXTERNAL AUDITORS ANNUAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2009/10**

With the Chair's agreement Item 4, the External Auditors Annual Report to those Charged with Governance was taken prior to Item 3, the Revision to the Council's Financial Regulations.

The Audit Committee considered a report which presented the External Auditor's Annual Report, the Council's letter of representation, and the updated Statement of Accounts.

Nick Taylor from the Council's External Auditors (Grant Thornton) presented the Annual Report and highlighted key issues arising from the audit of the Statement of Accounts 2009/10.

At the time of writing the report there had been a number of finalisation procedures outstanding. With the exception of the Herts County Council Pension Fund Audit, all outstanding items had been processed and there had been no significant issues.

Once the Herts County Council Pension Fund Audit had been finalised he anticipated that an unqualified opinion on the Council's financial statements would be provided. He also advised that it would be proposed to issue an unqualified Value for Money conclusion.

The External Auditor drew attention to the recommendations within the report :

- i) That the Members expenses disclosure on the website should include information for all Co-opted Members.
- ii) That the cash flow movements are supported by a complete audit trail.

A Member requested further details on the delay caused by the Herts County Council Pension Fund Audit. Paul Winrow (Grant Thornton) informed Members that there were no particular concerns and the delay was awaiting assurance from the Audit Commission, which was part of normal practice.

Due to the timescales involved in obtaining all the required finalised details it was requested that the corresponding meeting next year be arranged towards the end of September 2011.

Members requested that Co-optee's be informed that the website would be amended to show their payments under the Member Allowance Scheme and that any future advertisements for Co-optee vacancies reflect this requirement.

It was **RESOLVED:**

1. That the Annual Report to those charged with Governance for 2008/09, as set out at Appendix A to the Report, be approved.
2. That the Council's Letter of Representation, as set out at Appendix B to the Report, be approved.
3. That approval of the updated Statement of Accounts 2008/09, as set out at Appendix C and subject to any amendments made as a result of the Herts County Council Pension Audit, be delegated to the Chair and the Portfolio Holder for Resources.

5. INTERNAL AUDIT PROGRESS REPORT

The Chief Internal Auditor presented a report on the progress made against the 2010/11 Internal Audit Plan and highlighted that 43% of the Audit Plan had already been delivered – which was 4% ahead of schedule.

The Officer informed Members that none of the 2010/11 completed audit activity had overrun by more than 100% and asked Members to consider if this indicator was still of value. Members were of the view that due to the number of overruns in previous years this indicator was giving them reassurance and therefore should still be included within the progress report.

The Chief Internal Auditor explained the changes to the Plan, as set out at paragraphs 4.6 and 4.7 of the report, and requested the Committee's approval for these amendments.

It was **RESOLVED** that the Internal Audit quarterly report as at 20 August 2010 be noted and the amendments to the Audit Plan, as set out at paragraphs 4.6 and 4.7 be approved.

6. URGENT PART I BUSINESS

None.

7. 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.

PART II

8. CAR PARKS INTERNAL AUDIT PROGRESS UPDATE REPORT

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 from a Member on the requirement for this issue to be a Part II item the Head of Finance advised that the report detailed commercially sensitive information.

It was **RESOLVED** that the Car Parks Internal Audit Progress Update Report be noted.

9. STRATEGIC RISK REGISTER QUARTER 1 2010/11

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

A Member requested clarification of the reasoning behind the 'Medium' Residual Risk Level assigned to Business Continuity (S10).

It was **RESOLVED** that the Quarter 1 2010/11 Strategic Risk Register be noted as shown at Appendices A1-A5 of the report.

10. URGENT PART II BUSINESS

None

Chair

