

STEVENAGE BOROUGH COUNCIL

17B**AUDIT COMMITTEE
MINUTES****Date: Wednesday 29 May 2013****Time: 6.00 p.m.****Place: Shimkent Room, Daneshill House, Danestrete, Stevenage**

Present: Councillors: L Chester (Chair), P Bibby, J Gardner,
C Latif, R Parker CC.
Independent Member: B Mitchell.

Also Present: Helen Maneuf and Terry Barnett (Shared Internal Audit Services (SIAS))

Started: 6.00 p.m.

Ended: 7.00 p.m.

1a. TO NOTE MEMBERSHIP OF COMMITTEE AND APPOINT A VICE CHAIR

It was **RESOLVED** that the membership of the Committee be noted.

It was moved, seconded and **RESOLVED** that Councillor John Gardner be appointed Vice Chair of the Audit Committee for the Municipal Year 2013/2014.

1b. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for absence was received from Councillor J Hollywell.

There were no declarations of interest.

2. TERMS OF REFERENCE

It was **RESOLVED** that the Terms of Reference be noted with the following amendment / addition:

1. Item 3.1 (e) be amended to read 'The Council's Annual Governance Statement' and not 'The Council's Statement of Internal Control'.
2. An item be added at 3.1 (j) to read 'The Council's Treasury Management Strategy'.

3. MINUTES – AUDIT COMMITTEE – 26 MARCH 2013

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 26 March 2013 be approved as a correct record and signed by the Chair.

4. EXTERNAL AUDIT FEE LETTER

The Committee had before it a letter detailing the planned audit fee for 2013/2014, as received from the Council's Auditors, Grant Thornton.

It was **RESOLVED** that the External Audit Fee Letter, as received from the Council's Auditors (Grant Thornton) be noted.

5. PUBLIC SECTOR INTERNAL AUDIT STANDARDS (INCORPORATING THE SHARED INTERNAL AUDIT SERVICES (SIAS) CHARTER).

Terry Barnett was introduced to the Committee as the Internal Audit Manager with responsibility for Stevenage Borough Council.

The Head of Assurance presented a report to advise the Committee of the new national Public Sector Internal Audit Standards (PSIAS) that had become effective from 1 April 2013.

The key elements of PSIAS were identified in paragraph 2.2 of the report and the Head of Assurance drew the Committees attention to the requirement for the Audit Committee to seek assurance that there would be no inappropriate limitations on the scope or resources of internal audit.

In reply to a question concerning the acceptance of the Compliance Report, the Head of Assurance advised the Committee that she was empowered to do so; however external Quality Assurance would be sought for the next Compliance Report.

In reply to a further question the Committee was advised that there were no areas of concern within the report.

It was **RESOLVED:**

1. That the Public Sector Internal Audit Standards (PSIAS) be accepted from 1 April 2013.
2. That the Shared Internal Audit Services Charter, as part of compliance with the PSIAS 2013, be accepted.
3. That the assurance from management that there had been no inappropriate scope of resource limitations on internal audit activity be accepted.

6. SIAS ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT REPORT

The Committee had before it a report which documented Internal Audit's overall opinion on the adequacy and effectiveness of the Council's control environment; summarised the audit report from which the opinion was derived; and summarised the performance of the internal audit service.

The Committee was advised that the effectiveness of the Council's control environment had been reviewed against PSIAS for 2013 and had been found to be 'effective' although there were some areas of non compliance which would be addressed by the action plan found at appendix C to the report.

The Committee was further advised that the ranking of 'Moderate Assurance' against the Council's non-financial systems was largely driven by the problems with two of the Council's Decent Homes contracts, as discussed at the March meeting of the Audit Committee.

The Committee was reminded that the Council had identified these issues in-house and had asked Internal Audit to investigate further, however the report was otherwise very positive overall in respect of the Council's performance.

Members then asked a number of detailed questions about the assurance statement and the annual report which were answered by the Officer.

It was **RESOLVED**:

1. That the report be noted.
2. That the assurance from management that there had been no inappropriate scope or resource limitations on internal audit activity be accepted.

7. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager presented a report which detailed progress against the 2013/2014 Internal Action Plan as at 10 May 2013.

The Committee was advised that a number of target dates remained to be agreed, but that discussions with council managers were ongoing.

In reply to a question concerning the lack of an assigned lead auditor to audits the Committee were made aware that Key Financial System

audits would take place towards the end of 2013/2014 and that a lead would be assigned nearer to the start date.

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

8. ANNUAL GOVERNANCE STATEMENT 2012/2013.

The Committee had before it the Council's Annual Governance Statement for 2012/2013.

In reply to a question concerning the impact of the Single Status project on the Council's ability to deliver other HR related improvement activities the Committee was advised that the Single Status project would take priority and that recent personnel changes in HR should help to expedite this work.

It was **RESOLVED** that the Council's 2012/2013 Annual Governance Statement be recommended for approval by the Statement of Accounts Committee.

9. URGENT PART 1 BUSINESS.

Members were reminded of the Audit Committee and Emerging Risk Seminar on 14 June 2013, details of which had been circulated by the secretariat, and were advised to contact either Helen Maneuf or Clare Fletcher if they wished to attend the event.

10. 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 it involved 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 outweighed the public interest in disclosure.

PART II

11. PART II MINUTES – AUDIT COMMITTEE – 26 MARCH 2013

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 26 March 2013 be approved as a correct record and signed by the Chair.

12. STRATEGIC RISK REGISTER – QUARTER 4 2012/2013

The Performance and Improvement Manager presented the Quarter 4 Strategic Risk Register.

It was **RESOLVED**:

1. That the Strategic Risk register Quarter 4 2012/2013 be noted.
2. That developments on risk management issues be noted.

13. URGENT PART II BUSINESS

None.

Chair