

**STEVENAGE BOROUGH COUNCIL****AUDIT COMMITTEE  
MINUTES****Date: Thursday 12 June 2014****Time: 6.00 p.m.****Place: Shimkent Room, Daneshill House, Danestrete, Stevenage****Present:** Councillors: L Chester (Chair), J Gardner and M McKay.**Also Present:** B Mitchell (Independent Member)  
T Barnett (Shared Internal Audit Service)**Started:** 6.00 p.m.**Ended:** 6.37 p.m.**1. TO NOTE MEMBERSHIP OF THE COMMITTEE AND TO ELECT A VICE-CHAIR**

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

It was moved, seconded and **RESOLVED** that Councillor J Gardner be elected to serve as Vice-Chair of the Audit Committee for the municipal year 2014/2015.

**2. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors P Bibby, D Cullen, J Hollywell and A McGuinness.

There were no declarations of interest.

**3. TERMS OF REFERENCE**

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

**4. MINUTES – AUDIT COMMITTEE – 24 MARCH 2014**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 24 March 2014 be approved as a correct record and signed by the Chair.

The Assistant Director of Finance advised the Committee that the report explaining how the Council allocated capital resources in the Programme with due regard to the use of Capital Receipts on short life assets, as mentions in item 7 of the minutes, would be presented to the September meeting of the Audit Committee.

**5. 2013/2014 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT ANNUAL 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; summarised the performance of the internal audit service; showed the outcomes of the self-assessment against the Public Sector Internal Audit Standards and presented the Audit Charter for 2014/2015.

The Committee was advised that all targets had either been achieved or overachieved for the year and that there were no high priority recommendations arising from any of the audit work carried out during 2013/2014.

The Committee was further advised that for 2014/2015 there would be a more even spread of audit activity throughout the year resulting in a workplan that would be easier for the Committee to monitor. This was noted with approval by the Committee.

The Committee was advised that there were no proposed changes to the Audit Charter for 2014/2015.

In reply to a request for assurance the Assistant Director Finance confirmed to the Committee that the scope and resource for internal audit had not been to inappropriate limitations in 2013/2014.

It was **RESOLVED** that:

1. The Annual Assurance Statement and Internal Audit Report be noted.
2. The results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Panel be noted.
3. The Shared Internal Audit Service Charter be accepted.
4. The assurance given from management that the scope and resources for internal audit were subject to no inappropriate limitations for 2013/2014 be accepted.

**6. INTERNAL AUDIT PROGRESS REPORT**

The Committee received an update to the Internal Audit Progress Report as of 30 May 2014.

The Committee was advised that 17% of planned days had been delivered against a target of 19% and that since the report had been

published the percentage of projects to draft report stage had moved to the target, 4%.

The Committee was further advised that the review of the IT Help Desk was likely to take place in 2015/2016 and that the review of the Supporting People Grant could possibly take place later in the current year if the days returned to contingency had not been used to bolster other projects.

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

## **7. ANNUAL GOVERNANCE STATEMENT 2013/2014.**

The Committee had before it the Council's Annual Governance Statement for 2013/2014.

The Committee was advised that the report represented a true picture of the Council's processes and procedures and identified the key improvement areas for 2014/2015 which included the implementation of an improved customer complaint and feedback system and the embedding of the Council's new values into HR policies and practice. The Council would also look to enhance the corporate induction programme and embed a competency based framework into all aspects of employee recruitment, retention and appraisal.

In reply to a question concerning the governance of shared services the Committee was advised that the lead authority for each service based operation would provide a signed statement of compliance for the other authorities in the partnership.

It was **RESOLVED** that the Council's 2013/2014 Annual Governance Statement be recommended for approval by the Statement of Accounts Committee.

## **8. URGENT PART 1 BUSINESS.**

None.

## **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 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 item 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**

### **10. STRATEGIC RISK REGISTER – QUARTER 4 2013/2014.**

The Committee had before it the Strategic Risk Register for Quarter 4 of 2013/2014.

The Committee was advised that its approach to the management of operational risk was being rolled out as best practice by the Shared Internal Audit Service.

The Committee was further advised that lessons had been learned from the recent outage in IT services which would be integrated into the Business Continuity Plan.

It was **RESOLVED:**

1. That the Strategic Risk Register Quarter 4 2013/2014 (Appendices A1-A5) be noted.
2. That developments on risk management issues (as outlined in paragraph 4.2 of the report) be noted.

### **11. URGENT PART II BUSINESS**

None.

## **Chair**