

## **MAIDSTONE BOROUGH COUNCIL**

### **AUDIT COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON 25 MARCH 2013**

**Present:**            **Councillor Butler (Chairman), and  
Councillors Black, Burton and Mrs Wilson**

86. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Warner.

87. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

88. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

89. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

90. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

91. EXEMPT ITEMS

RESOLVED: That the Item on Part II of the Amended Agenda be taken in private as proposed.

92. MINUTES

RESOLVED: That the Minutes of the Meeting held on 14 January 2013 be approved as a correct record and signed.

93. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 14 JANUARY 2013

Minute 78 – Revaluation of Investment Properties

In response to a question by a Member, the Head of Finance and Customer Services informed the Committee that, although there were problems with the valuations for 2012/13 the Council had retained the services of the same valuation firm as they now had a greater knowledge of our assets than any other firm. All properties requiring valuation as at 1 April 2013 are complete, those requiring valuation at 31 March 2013 will

be completed during April 2013. This is already a great improvement on the situation in 2012/13. A Member requested a copy of the current information available.

#### Minute 81 – Draft Strategic Risk Register

In response to a question by a Member, the Head of Audit Partnership informed Members that the action plans will be brought to the next meeting of the Committee.

#### 94. CERTIFICATION OF FINANCIAL CLAIMS AND RETURNS

The Committee considered the report of the Director of Regeneration and Communities regarding the outcome of the Audit Commission work to certify the grant and subsidy claims that the Council submitted during 2011/12.

It was noted that Maidstone has a strong control environment, particularly around housing benefits and Members were assured that when errors are found the process is checked through to see if any further training is required.

RESOLVED: That the Audit Commission's assurance that the Council maintains a strong control environment for the preparation and monitoring of grant claims and returns be noted.

#### 95. AUDIT COMMITTEE PROGRESS REPORT - MARCH 2013

The Committee considered the report of the Head of Finance & Customer Services regarding the report of the External Auditor on the progress to date against the 2012/13 audit.

It was noted that the interim accounts audit had taken place in March and there were no issues, at this stage, to bring to the Committee.

In response to a question from a Member regarding the challenging questions within the External Auditor's report, the Director of Regeneration and Communities informed Members that a briefing for all Members was being arranged regarding National Non-Domestic Rates ("NNDR") and it was proposed that a workshop be arranged for Audit Committee Members to cover the other issues raised by the challenging questions. In response to a further question from a Member, the Head of Finance and Customer Services agreed to produce a briefing note on the findings and distribute it to the Members of the Committee.

#### RESOLVED:

1. That the External Auditor's progress report, as attached at Appendix A to the report of the Head of Finance and Customer Services, be noted.
2. That the Committee welcomed the opportunity for planned training.

96. INTERNAL AUDIT OPERATIONAL PLAN 2013/14

The Committee considered the report of the Head of Audit Partnership setting out the one-year operational Internal Audit plan for the financial year 2013/14.

The Committee indicated that the flexibility of the plan should be reflected within the recommendation made.

RESOLVED: That the contents of the one-year operational Internal Audit plan, as set out at Appendix 1 to the report of the Head of Audit Partnership, be agreed, subject to responsive amendments.

97. PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The Committee considered the report of the Head of Audit Partnership setting out the new standards for the provision of internal audit within public sector organisations in the United Kingdom with effect from 1 April 2013.

It was noted that CIPFA have produced a guidance note which will be published in the next 2-3 weeks.

RESOLVED: That the new Public Sector Internal Audit Standards and the action that is being taken to implement them be noted.

98. AUDIT COMMITTEE WORK PROGRAMME 2012/13

RESOLVED: That the Audit Committee Work Programme 2012/13 be noted and used as a base for the next Municipal Year, subject to consideration being given to ways in which the workload in September and November could be reduced.

99. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following item of business because of the likely disclosure of exempt information for the reasons specified, having applied the Public Interest Test:-

**Head of Schedule 12A and  
Brief Description**

Report of the Assistant Director of  
Regeneration and Cultural Services -  
Maidstone Museum East Wing Extension  
- Project Budget Overspend

3 – Financial/Business Affairs  
5 – Legal Professional  
Privilege/Legal  
Proceedings

100. MAIDSTONE MUSEUM EAST WING EXTENSION - PROJECT BUDGET OVERSPEND

The Committee considered the report of the Assistant Director of Regeneration and Cultural Services updating the Committee in relation to the actions being taken in relation to the East Wing extension construction project.

RESOLVED: That the report be noted and everyone involved be thanked.

101. DURATION OF MEETING

6.30 p.m. to 7.20 p.m.