

MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY 19 MARCH 2012

Present: Councillor Nelson-Gracie (Chairman), and
Councillors Butler, Field, Warner and Yates

Also Present: Councillor Mrs Wilson

81. APOLOGIES FOR ABSENCE

There were no apologies for absence.

82. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

83. NOTIFICATION OF VISITING MEMBERS

Councillor Fran Wilson was in attendance.

84. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

85. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

86. EXEMPT ITEMS

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

87. MINUTES

RESOLVED: That the Minutes of the Meeting held on 16 January 2012 be approved as a correct record and signed.

88. MATTERS ARISING FROM THE MINUTES (PART I) OF THE MEETING HELD ON 16 JANUARY 2012

(1) Minute 74 (1) Appointment of Independent Member of the Audit Committee

In response to a question by a Member, the Director of Regeneration and Communities updated the Committee on the

efforts being made to recruit an Independent Member of the Audit Committee.

It was noted that neighbouring authorities, counterparts through the Mid Kent Partnership Group, the Chamber of Commerce and the Federation of Small Businesses had all been approached, to no avail. The feedback received was that it was because there was no remuneration being offered for the role.

It was suggested that the two parties who had expressed an interest in the role be approached to ascertain their continued interest and that a Sub Committee of 2 Members of the Audit Committee be formed to conduct informal interviews with the prospective candidates.

RESOLVED:

1. That the two interested parties in the role be approached to ascertain their continued interest.
2. That a Sub Committee of Councillors Nelson-Gracie and Warner be formed, with Councillor Yates as a Substitute Member.
3. That, subject to the two parties having a continued interest, informal interviews be arranged with the above Sub Committee before the end of March 2012.

89. REQUEST FOR AUDIT COMMITTEE QUORUM TO BE REDUCED FROM FOUR TO THREE

The Democratic Services Officer, on behalf of the Head of Democratic Services, informed the Committee that the Chairman had raised the proposal of reducing the quorum of the Audit Committee from 4 to 3.

Members were informed that Cabinet had recently reduced their quorum from 4 to 3 as there are now 5 Members of Cabinet and, although, having a quorum of 4 had not caused a problem for the Audit Committee to date, when new members join they do need to undertake training before being able to serve on the Committee and this could cause a problem in the future.

RESOLVED: That Council, following an evaluation by the Standards Committee, be recommended to reduce the quorum of the Audit Committee from 4 to 3 and that the Constitution be amended accordingly.

90. HIGH STREET IMPROVEMENT PROJECT CONTRACT MANAGEMENT ARRANGEMENTS

The Committee considered the report of the Director of Regeneration and Communities outlining the contract management arrangements for the High Street Improvement Project.

Members were introduced to John Crane, the Project Manager, who explained in detail how the contract works and the cost control is arranged throughout the project period.

The Project Manager responded to questions raised by Members regarding the early warning system, the contingency fund and extension of time claims. The Project Manager informed the Committee that the expected completion date is now 19 May 2012, rather than the end of April.

RESOLVED: That the report be noted.

91. 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's work to certify the grant and subsidy claims that the Council submitted during 2010/11.

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

92. EXTERNAL AUDITOR'S AUDIT PLAN 2011/12

The Committee considered the report of the Head of Finance and Customer Services regarding the External Auditor's Audit Plan for the financial year 2011/12.

RESOLVED:

1. That the revised audit fee proposed be noted.
2. That the content of the Audit Plan be noted.

93. AUDIT COMMISSION PROGRESS REPORT - MARCH 2012

The Committee considered the report of the Head of Finance and Customer Services regarding the External Auditor's progress to date against the 2011/12 audit plan.

Mr Golding of the Audit Commission updated Members on progress since the last meeting. It was noted that, whilst the Letter of Assurance has been requested by the Audit Commission in previous years, it has been included as an Appendix to the Audit Commission's report for the first time.

The Committee were informed that the Commissioner announced 2 weeks ago the results of a procurement exercise and that Grant Thornton had won 4 out of the 10 areas, including Maidstone. The majority of staff currently working for the Audit Commission will transfer to Grant Thornton.

RESOLVED: That the External Auditor's progress report be noted.

94. INTERNAL AUDIT OPERATIONAL PLAN 2012/13

The Committee considered the report of the Head of Audit Partnership setting out the Internal Audit one-year operational plan for 2012/13.

The Committee noted there were 36 audits scheduled for completion by the Maidstone team and 3 further audits by our partners at Tunbridge Wells and Swale in the forthcoming year.

The Committee were informed that a Member of the Maidstone team will be moving to Swale and therefore Maidstone will be looking to recruit.

RESOLVED: That the content of the Internal Audit one-year operational plan for 2012/13 be endorsed.

95. INTERNAL AUDIT - LIMITED CONTROL ASSURANCES

The Committee considered the report of the Head of Audit Partnership setting out the progress made on the six service areas which had been listed as previously providing only limited control assurance in the Head of Audit Partnership's Interim Report to the meeting of the Audit Committee on 28 November 2011.

The Committee noted that the Section 106 Agreement follow-up had been conducted today which concluded the controls have increased to a substantial level.

RESOLVED: That assurance be taken from the Internal Audit follow-up process, which has confirmed that control assurance has increased to substantial for the six service areas that were referred to in the Internal Audit Interim Report in November 2011.

96. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items 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
Minutes (Part II) of the Meeting held on 16 January 2012	3 – Financial/Business Affairs 5 – Legal Professional Privilege/ Legal Proceedings
Report of the Assistant Director of Regeneration and Community Services – Maidstone Museum East Wing Project Review – Update	3 – Financial/Business Affairs 5 – Legal Professional Privilege/ Legal Proceedings

97. MINUTES (PART II)

RESOLVED: That the Minutes (Part II) of the Meeting held on 16 January 2012 be approved as a correct record and signed.

98. MATTERS ARISING FROM THE MINUTES (PART II) OF THE MEETING HELD ON 16 JANUARY 2012

Minute 79 – Matters Arising from the Minutes (Part II) of the Meeting held on 28 November 2011

The Assistant Director of Regeneration and Cultural Services updated the Committee on the latest situation.

99. MAIDSTONE MUSEUM EAST WING PROJECT REVIEW - UPDATE

The Committee considered the report of the Assistant Director of Regeneration and Community Services updating Members on the Project Review of the East Wing, the Decision of Cabinet and subsequent actions.

RESOLVED: That the report be noted.

100. DURATION OF MEETING

6.32 p.m. to 8.35 p.m.