MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2013

Present: Councillor Nelson-Gracie (Chairman), and Councillors Black, Mrs Wilson and Yates

61. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Butler, Daley and Warner.

62. NOTIFICATION OF SUBSTITUTE MEMBERS

The following substitutions were noted:-

Councillor Yates for Councillor Butler
Councillor Mrs Wilson for Councillor Daley

63. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

64. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

65. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

66. EXEMPT ITEMS

RESOLVED: That the Items on the Agenda be taken in public as proposed.

67. MINUTES OF THE MEETING HELD ON 16 SEPTEMBER 2013

RESOLVED: That the Minutes of the Meeting held on 16 September 2013 be approved as a correct record and signed.

68. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE

The Committee considered the report of the Head of Policy and Communications regarding an update on the Annual Governance Statement Action Plan.

The Committee asked a number of questions of the Officers in relation to:

- How the project management arrangements have been improved;

- The holding of public meetings twice a year;
- The consultation process and the meaningfulness of this;
- Members' development – compulsory training.

It was noted that CIPFA would shortly be publishing an update on guidance for Audit Committees which was expected to cover training.

RESOLVED:

a)   That the report be noted; and

b)   That the following actions be agreed:-

    i)   That a report on the updated guidance for Audit Committees from CIPFA be brought to the next meeting; and

    ii)   That the findings of the Scrutiny Co-Ordinating Committee regarding the corporate governance review be brought to the next meeting.

69.   INTERNAL AUDIT - INTERIM REPORT

The Committee considered the report of the Head of Internal Audit Partnership regarding details of the work of the Internal Audit team between April and September 2013.

It was noted that the benefit fraud initiative was a national exercise which the Council facilitated on behalf of the Government. It involved every Local Authority providing a range of data sets that are matched at a national level.

The Committee asked a number of questions of the Officers relating to:

- Museum collections policy and procedures and adherence to those procedures;
- Follow-up reports
- Community Right to Challenge
- Review of the location of CCTV cameras

The Committee thanked the Head of Internal Audit Partnership and his team for the good work done, especially while working under difficult circumstances and with a number of staff changes.

RESOLVED:

a)   That it be agreed the audit process is working effectively and that management is taking the necessary action to implement agreed audit recommendations.

b)   That a list of follow-up reports be circulated to the Members of the Committee.

70. EXTERNAL AUDITOR'S LETTER TO THE CHAIRMAN

The Committee considered the report of the Head of Finance and Resources regarding a letter from the External Auditor to the Chairman of Audit Committee and a proposed action plan relating to the Collection Fund.

The Committee requested that they be advised of the findings in relation to the investigation into the difference identified in the reconciliations respectively between Council Tax and Business Rates to the General Ledger.

RESOLVED: That the contents of the letter be noted and the current actions in relation to the collection fund be endorsed.

71. EXTERNAL AUDITOR'S ANNUAL AUDIT LETTER 2012/13

The Committee considered the report of the Head of Finance and Resources regarding the External Auditor's Annual Audit letter for the financial year 2012/13.

The Committee raised the key areas for Council action on page 53 of the report of the Head of Finance and Resources and asked Officers how these key areas were going to be addressed.

It was noted that improvements have been made with regard to the working papers and Officers are looking at ways to improve further.

The External Auditor advised the Committee that they are keen to work closely with the Finance Team to address the issues from this year's audit so that they can work toward a smoother audit process next year and future years.

RESOLVED: That the External Auditor's Annual Audit Letter be noted.

72. TREASURY MANAGEMENT HALF YEARLY REVIEW 2013/14

The Committee considered the report of the Head of Finance and Resources setting out the activities of the Treasury Management function for the 2013/14 financial year.

It was raised that there was a discrepancy between the investments listed on page 63 and the table at Appendix A to the report of the Head of Finance and Resources. Members' noted that this was due to the omission from the table in Appendix A of the £3m investment with Lloyds TSB.

RESOLVED:

a) That the position as at 30 September 2013, as set out in the report of the Head of Finance and Resources, be noted; and

b) That it be agreed no amendments to the current procedures are necessary as a result of the review of activities in 2013/14 to date.

73.   AUDIT COMMITTEE WORK PROGRAMME 2013/14

The Committee considered its work programme for the remainder of the 2013/14 Municipal Year.

It was noted that a further meeting was required in January 2014 to consider the Treasury Management Strategy 2014/15 and the Review of Risk Assessment of Budget Strategy 2014/15 Onwards. A date has yet to be agreed.

Officers were asked to consider the possibility of moving some of the reports listed for March 2014 to other meeting dates in order to reduce the number of reports to that meeting.

RESOLVED: That the Audit Committee work programme be noted and that consideration be given to the possibility of reports scheduled for March 2014 being moved to other meeting dates.

74.   DURATION OF MEETING

6.30 p.m. to 7.32 p.m.