

**AUDIT COMMITTEE
25 SEPTEMBER 2007**

Present: Councillors Beaver (as the duly appointed substitute for Councillor Pragnell), Bird, Silverson, Smith (in the Chair) and Webb (as the duly appointed substitute for Councillor Chowney).

Apologies for absence were received from Councillors Chowney and Pragnell.
Apologies for lateness were received from Councillor Beaver.

8. MINUTES

RESOLVED – that the minutes of the meeting held on 26 June 2007 be approved and signed by the Chair as a true record.

9. DECLARATIONS OF INTEREST

The following Councillors declared their interests in the minutes indicated: -

Councillor	Minute	Interest
Bird and Webb	13 – Annual Governance Report (In so far as that related to the Foreshore Trust)	Prejudicial – Members of the Foreshore Trust

10. DATA QUALITY POLICY

The Head of Policy and Performance submitted a report inviting Members to comment on the draft Data Quality Policy developed in response to the Audit Commission's new Standards to improve data quality in the public sector. The draft Policy set out the Council's management arrangements, objectives and priorities for data quality. The role of councillors was key with regard to data quality. Therefore, in addition to the role's set out in the policy for the Deputy Leader, Lead Members and Overview and Scrutiny Committee, the Audit Committee was asked to formally include data quality in its annual report to Council commencing in June 2008.

RESOLVED (unanimously) – that: -

- (1) **Members agree the draft Data Quality Policy including the objectives, priorities and management arrangements for assuring data quality in Hastings Borough Council; and**
- (2) **the Committee includes issues of data quality in its annual report to Council, commencing June 2008.**

11. REVIEW OF RISK MANAGEMENT ARRANGEMENTS

The Chief Auditor presented a report on the Risk Management improvements that could be adopted to bring the authority up to Best Practice Standard.

The Council scored 2 out of 4 in the Use of Resources inspection for Internal Control. An area of possible improvement was that of Risk Management. The Council wished to achieve Best Practice standard. The approach taken had been to identify Best Practice authorities and compile a 'gap analysis' between Hastings Borough Council

**AUDIT COMMITTEE
25 SEPTEMBER 2007**

and those authorities. Lewes District Council, a neighbouring authority, had obtained a maximum score of 4 for risk management in their Use of Resources inspection. Consequently, most of the comparison was with them.

Many of the necessary processes were already in place. However, improvement opportunities were identified. Audit believed that close liaison between Lewes DC and the Audit Commission was instrumental in enabling them to achieve Best Practice. It would be possible to improve Hastings Borough Council systems with medium effort and minimal cost. This should result in a much stronger system that reduced risks and improved control through provision of timely management information.

Appended to the report was an action plan that summarised the recommendations and identified what needed to be achieved for Best Practice.

During discussion of this item members requested training in respect of risk. The Chief Auditor agreed to make suitable arrangements.

RESOLVED (unanimously) – that: -

- (1) the recommended actions required to achieve Risk Management Best Practice and the target implementation dates set out in the action plan be noted; and**
- (2) The situation be reviewed in six months time and reported back to the committee; and**
- (3) Lewes District Council be thanked for their co-operation.**

12. SUMMARY AUDIT AND RISK REPORT

The Chief Auditor submitted a report on internal audit findings in respect of Parking Services Risk Self Assessment. The audit had concluded that the service was rated B Satisfactory.

During discussion members requested submission of further information with similar reports in future. The Chief Auditor agreed to append action plans in future.

RESOLVED (unanimously) – that the report be noted.

13. ANNUAL GOVERNANCE REPORT

The Deputy Chief Executive submitted the Annual Governance report of the Audit Commission. The report contained an action plan containing two recommendations. Improvements were recommended to the fixed asset accounting systems for financial reporting and control over journal entries within the finance section. The report also contained a draft representation letter on behalf of the authority and those charged with governance before the Audit Commission issued their opinion, for approval.

Darren Wells, the Council's District Auditor and Relationship Manager, was in attendance. He presented his report and answered questions from members. He also reported an additional adjustment to the financial statements in respect of around £600,000 for the dual use hall at Hillcrest school. He further requested that

**AUDIT COMMITTEE
25 SEPTEMBER 2007**

reference to the transfer of assets to the Foreshore Trust would need to be included in the management representation letter.

RESOLVED (unanimously) – that: -

- (1) the report be noted and the action plan be endorsed; and**
- (2) the Chair be authorised to sign the Management Representation Letter subject to further discussions between the Deputy Chief Executive and the Council's District Auditor and Relationship Manager to resolve the two outstanding issues raised at the meeting.**

(Councillors Bird and Webb left the meeting during consideration of matters relating to the Foreshore Trust, having declared their prejudicial interests)

(The Chair declared the meeting closed at 6.56 pm)