

**AUDIT COMMITTEE
18 MARCH 2008**

Present: Councillors Bird, Chowney, Pragnell, Silverson and Smith (in the Chair).

19. MINUTES

RESOLVED – that the minutes of the meeting held on 15 January 2008 be approved and signed by the Chair as a true record.

20. DECLARATIONS OF INTEREST

Councillors made no declarations of interest at this meeting

21. DRAFT INTERNAL AUDIT PLAN 2008-09

The Chief Auditor presented the internal audit plan for 2008-09. The Plan outlined the financial systems and risk reviews that Audit Services would be working on during the current financial year.

RESOLVED (unanimously) – that the Audit plan 2008–09 be approved.

22. JOINT AUDIT ARRANGEMENTS BETWEEN HASTINGS BOROUGH COUNCIL AND PANNELL KERR FORSTER (PKF)

The Chief Auditor submitted a report on the protocol arrangements between Hastings Borough Council and Pannell Kerr Forster audit functions (PKF). The appended report from Colin Owen, the External Audit Manager, detailed the protocol that had been produced to formalise the working relationship between internal and external audit. Its aims were to clarify areas of co-operation in planning the audit, improving communication and co-ordination and to help reduce any unnecessary overlap of audit effort.

It was orally reported that PKF were willing to provide a short training session for members after the local elections in May of this year.

RESOLVED – that the report be noted and the offer to provide training for members be accepted.

23 ANNUAL AUDIT AND INSPECTION LETTER

The Deputy Chief Executive and Director of Corporate Resources submitted the Annual Audit and Inspection Letter from Darren Wells, the Council's District Auditor and Relationship Manager. Darren Wells was in attendance at the meeting. He presented his report and answered questions from members. This was the last occasion that he would attend the Committee and he was thanked for his work and helpfulness over past years.

The letter provided an overall summary of the Audit Commission's assessment of the Council for the period 2006/07. It also drew on latest performance in 2007/08 to put 2006/07 in context.

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The main messages included in the report were: -

The Council is improving its services in line with its priorities and in those areas which matter to local people;

The way the Council uses its resources were scored as three out of four; and

The Council delivers good value for money.

The Letter recommended three key areas for the Council to take action, these being:-

continue to focus attention on the weaker performing services, seeking improvement in performance and costs as part of its commitment to improve value for money;

strengthen its arrangements for financial reporting and internal control; and

continue to take action to reduce the number of staff days lost through sickness absence.

RESOLVED (unanimously) – that: -

- (1) the Annual Audit and Inspection Letter be noted and endorsed;**
- (2) attention continue to be focussed on the weaker performing services, seeking improvement in performance and costs as part of the Council's commitment to improve value for money;**
- (3) arrangements for financial reporting and internal control be strengthened; and**
- (4) action be continued to reduce the number of staff days lost through sickness absence.**

(The Chair declared the meeting closed at 6.30 pm)