

**AUDIT COMMITTEE
19 JANUARY 2011**

Present: Councillors Birch, Hodges (Vice-Chair), Westley and Wilson (Chair).

Apologies for absence were received from Councillor Stevens. Councillor Hodges (Vice Chair) took the Chair at the start of the meeting in the absence of Councillor Wilson (Chair). Apologies for lateness were received from Councillor Wilson.

15. DECLARATIONS OF INTEREST

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

Councillor	Minute	Interest
Hodges	17 – Annual Audit Letter 2009/10 & 18 – Operational Risk Registers	Personal – Trustee of Hastings Pier and White Rock Trust

16. MINUTES

RESOLVED – that the minutes of the meeting held on 27 September 2010 be approved and signed by the Chair as a true record.

17. ANNUAL AUDIT LETTER 2009/10

The Deputy Chief Executive & Director of Corporate Resources presented to the Audit Committee the Annual Audit Letter for 2009/10.

The Committee were informed of the requirement that all Members be given access to the Annual Audit Letter prior to 31 December 2010. This was achieved by posting it onto the Council's website and notifying all Members of a link to it.

The Annual Audit Letter provided an overall summary of the Audit Commission's assessment of the key issues that have been completed over the last 12 months.

The key findings were that:

- an unqualified opinion has been given on the Council's accounts for the period ended 31 March 2010;

**AUDIT COMMITTEE
19 JANUARY 2011**

- the value for money conclusion for the period ended 31 March 2010 is unqualified;
- the Council's 2009/10 expenditure plans were met.

Robert Grant, PKF partner was in attendance at the meeting. He answered questions from the members and concluded that the Council had achieved a positive performance.

Councillor Hodges recommended that credit should be given to all staff involved across the Council.

RESOLVED – (unanimously) that the Audit Committee note the contents of the Annual Audit Letter 2009/10.

18. OPERATIONAL RISK REGISTERS

Richard Homewood, Corporate Director Environmental Services, presented the report on Operational Risk Registers and outlined the procedures involved in reviewing and reporting risk in the future.

The Committee were informed that this was the first time that the Hastings BC Operational Risk Registers had been formally reviewed by the Audit Committee following the adoption of the Risk Management Policy and Strategy by Cabinet on 13 July 2009.

Upon his arrival at this juncture, Councillor Wilson (Chair) took the Chair for the remainder of the meeting.

The Committee discussed the risk registers for each service in detail and asked questions of the Officers. As a result the following points were agreed.

The responsibility for each control should be dedicated to one accountable manager only and not be shared. (Cllr Birch)

The Head of Communications and Marketing advised that following the recent appointment of an experienced call centre professional, the risk of the project failing had now been reassessed as low rather than medium.

The Audit Committee generally felt that a number of risks and their steps to mitigate them were at too low a level in the Development Control and Housing Services Operational Risk Registers. The Corporate Director will ask Heads of Service to reassess these.

**AUDIT COMMITTEE
19 JANUARY 2011**

There was concern that Conservation did not appear on the Risk Registers as the timing of its advice could be a critical risk for an external organisation. (Cllr Hodges)

The potential risk facing Parking Services was of particular concern as there was no cost based justification for it to be taken back by East Sussex County Council. (Cllr Hodges). The Corporate Director confirmed he would seek guidance and report back to the Committee.

Councillor Westley questioned why The Management of Flood Risk should be a high risk rather than medium if loss of life were considered to be a potential impact. (Cllr Westley). The Corporate Director confirmed he would ask the Head of Service to re-assess the level of risk.

Cllr Hodges stated that it was a good start for a good plan. He congratulated all those involved who put it together.

RESOLVED – (unanimously) that the Audit Committee note the Operational Risk Registers and acknowledge the proposed process for monitoring, managing and reporting risk in the future.

19. CHIEF AUDITOR'S SUMMARY AUDIT AND RISK REPORT

The Chief Auditor presented his report on the recent audit findings of the Future Jobs Fund audit report.

In 2009 Hastings Borough Council applied to the Department of Works and Pensions for a grant from the Future Jobs Fund and it was successful. The grant is coming to completion. The audit found that the Council as the lead accountable body has complied with the grant conditions well and the project has generally been successful. The report concluded that the overall audit assessment was 'A – good' and the financial controls in place were working effectively.

The Department of Works and Pensions (DWP) is due to undertake an assurance visit during February 2011. Councillor Westley asked for sight of their report at the next meeting of the Audit Committee on 21 March 2011.

Councillor Westley proposed the Audit Committee accept the report as read and that the Committee look forward to an update in relation to the DWP outcome. The motion was seconded by Councillor Birch and agreed by the Committee.

RESOLVED – (unanimously) that the Audit Committee accept the report as read and the Committee look forward to an update once the DWP have concluded their inspection visit.

(The Chair declared the meeting closed at 7.12pm)