

**AUDIT COMMITTEE
21 MARCH 2011**

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

20. DECLARATIONS OF INTEREST

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

Councillor	Minute	Interest
Stevens	26 - Department for Works and Pensions – Grant Management Team Assurance Visit	Personal – Board Member of Hastings Furniture Service which appears as a subject in the Department for Works and Pensions - Grants Management Team Assurance Visit

21. MINUTES

RESOLVED – that the minutes of the meeting held on 19 January 2011 be approved and signed by the Chair as a true record.

22. GRANT CLAIM CERTIFICATION FOR THE YEAR ENDING 31 MARCH 2010

The Deputy Chief Executive & Director of Corporate Resources introduced a report on matters raised by the Council's External Auditors (PKF) in respect of their work associated with the certification of grant claims submitted by Hastings Borough Council for Year Ending 31 March 2010. PKF conducted the audit between July and December 2010 in accordance with the deadlines specified by the Audit Commission.

Robert Grant, PKF partner, presented the report. The Audit Committee were informed of the positive outcome obtained in relation to the grant claims and returns.

RESOLVED – (unanimously) that the Audit Committee note the contents of the External Auditors' Report.

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23. PKF ANNUAL AUDIT PLAN 2010/11

The Chief Auditor submitted his report on the work PKF propose to undertake in respect of the audit of accounts and to review Hastings Borough Council's arrangements for securing value for money for the 2010/11 financial year. The Plan also updates the fee letter discussed with the Audit Committee in June 2010 since PKF concluded their 2009/10 audit.

Robert Grant, PKF partner, presented the report. He explained that a detailed risk assessment had been undertaken of financial statement audit risks and value for money conclusion.

PKF report did not identify any significant risk areas for securing value for money. The report acknowledged that Hastings Borough Council has established arrangements and a good track record for securing value for money.

Members asked questions of Robert Grant.

RESOLVED – (unanimously) that the Audit Committee note PKF's Annual Audit Plan 2010/11.

24. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2011/12, INCLUDING QUARTERLY MONITORING REPORTS FOR 2010/11

The Deputy Chief Executive presented a report to the Committee on the Treasury Management and Investment Strategy 2011/12, including Quarterly Monitoring Reports 2010/11. The purpose of the report was to enable the Audit Committee to scrutinise the report and draw any concerns or recommendations to Cabinet. The scrutiny of the strategy will ensure the proper management of the Council's cash funds.

The report as presented in compliance with the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services, which represents best practice and compliance with statutory requirements.

The full report was considered at Cabinet on 16 February 2011 and subsequently approved by Council on 28 February 2011.

The Committee were informed a new lending list, based on the Sector template, had been adopted to spread the Councils investments and mitigate the risks as far as practical. External Treasury advice had been employed.

Members asked questions of Neil Dart.

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Councillor Birch proposed the reporting arrangements for future years be adjusted, to enable the Audit Committee to consider the report prior to Cabinet and Council. The proposal was agreed by the Committee.

RESOLVED – (unanimously) that the Audit Committee note the report.

25. PROPOSED INTERNAL AUDIT PLAN 2011/12

The Chief Auditor presented his report to the Committee on the Internal Audit Plan 2011-12.

The proposed Internal Audit Plan provided a review of the fundamental financial systems and new areas which include risk reviews that focus on ensuring that significant risks have been identified and are being appropriately managed.

RESOLVED – (unanimously) that the Audit Committee approve the Internal Audit Plan for 2011-12.

26. DEPARTMENT FOR WORKS AND PENSIONS – GRANTS MANAGEMENT TEAM ASSURANCE VISIT

The Chief Auditor presented his report on the result of the Department of Works and Pensions (DWP) assurance visit on 'Future Jobs Fund' (FJF). The DWP Grants Management Team carried out an assurance visit in February 2011.

The key findings were:

“In our opinion this Lead Accountable Body (LAB) has sufficient systems in place. We are content that the assurance visit objectives and rationale, outlined in the introduction to this report, have been tested and met.

- Hastings Borough Council is to ensure that new third party employers agree and sign the Service Level Agreement (SLA) documents as soon as possible.
- Hastings Borough Council is to ensure that Future Job Fund (FJF) employees sign and agree to the Annex K consent forms.”

The report concluded that sufficient systems were in place, in compliance with the requirements of the Department of Works and Pensions (DWP).

Training was discussed and it was agreed that this is important but it was pointed out that answers given by participants might not necessarily reflect that of the sponsoring firm whose response was not asked for and hence has not been included in the report.

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Members congratulated all staff on the work undertaken with the project.

RESOLVED – (unanimously) that the Audit Committee note the report.

(The Chair declared the meeting closed at 6:51pm)