

**AUDIT COMMITTEE
27 JUNE 2011**

Present: Councillors Birch, Clark, Hodges (Vice-Chair), M J Lock (Chair) and Stevens.

1. DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

The Chair thanked the Head of Financial Services and the Chief Auditor for his pre-Audit Committee briefing.

2. MINUTES

RESOLVED – that the minutes of the meeting held on 21 March 2011 be approved and signed by the Chair as a true record.

3. ANNUAL AUDIT FEE LETTER 2011/12

The Chief Auditor submitted a report to advise the Audit Committee of the external audit fee for 2011/12.

The scale fee for the 2011/12 year has been determined by the Audit Commission. Members sought clarification on whether the audit fee was considered value for money and were informed that it was better compared to neighbouring authorities especially when taking into account Hastings Borough Council's higher gross expenditure.

RESOLVED – (unanimously) that the Audit Fee Letter is noted.

4. ACCOUNTS AND AUDIT REGULATIONS 2011

The Head of Financial Services submitted his report on the Accounts and Audit Regulations 2011. The purpose of the report is to outline the changes to procedures introduced in the Accounts and Audit (England) Regulations and the way that the Committee deal with the Statement of Accounts and the Annual Governance Statement. He explained the most significant changes imposed by the regulations are that the Committee is now asked to give formal approval to the statement of accounts before 30 September instead of 30 June as previously and that the Annual Governance Statement will now be published alongside the Statement of Accounts without actually forming part of it.

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RESOLVED – (unanimously) that:-

- 1) The Audit Committee note the removal of the requirement to approve the Annual Statement of Accounts by 30th June;
- 2) That the Annual Statement of Accounts be considered in September along with the auditor's findings and thereafter be published by 30 September of each year.

5. AUDIT COMMITTEE REPORT 2010/11 REPORT TO COUNCIL

The Chief Auditor presented his report to the committee on the annual review of the effectiveness of Internal Audit to Council.

Members raised questions for clarification but agreed the report was ready to go to Council.

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

6. CHIEF AUDITOR'S SUMMARY AUDIT & RISK REPORT

The Chief Auditor presented his report to the Committee on the recent audit findings of the Cash & Bank – Improved Processes, Data Quality, Payroll and Follow-up of IT Disaster Recovery audit reports.

Members asked questions and there was discussion on each of the audits within the summary report. However, whilst the Committee was satisfied with the explanations to their questions on the Cash & Bank - Improved Processes, Data Quality and Payroll reports, there were technical questions raised, wider than the original remit of the follow-up report on the audit of IT Disaster Recovery, requiring a more detailed response than could be answered at the meeting.

Councillor Hodges proposed a further report with these assurances be presented at the next meeting of the Audit Committee on 26 September 2011, to enable members to seek clarification from the Head of Information Technology on technical matters.

Councillor Birch proposed that the Committee amend the recommendation as set out in the resolution below. The motion was seconded by Councillor Clark and agreed by the Committee:-

RESOLVED – (unanimously) that the Audit Committee accepts the report, subject to clarification on:

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- **Cloud Computing**
- **The movement of services from Aquila House to the Town Hall in the event of an emergency**
- **Compliance with risk assessments for people working from home**

To be reported by the Head of IT at the next meeting.

(The Chair declared the meeting closed at 7.00pm)