

INTERNAL AUDIT PARTNERSHIP (STEVENAGE BOROUGH COUNCIL AND UTTLESFORD DISTRICT COUNCIL) held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30 pm on 17 JUNE 2003

Present:- Councillors M A Gayler and R M Lemon (Uttlesford District Council), Councillors S Speller, Mrs S Taylor and K Vale (Stevenage Borough Council).

Officers in attendance:- J B Dickson, S Martin and M T Purkiss (Uttlesford District Council) and S Crudgington (Stevenage Borough Council).

AP1 APPOINTMENT OF CHAIRMAN

RESOLVED that Councillor M A Gayler be appointed Chairman for this meeting.

AP2 APOLOGIES

An apology for absence was received from Councillor S C Jones.

AP3 MINUTES

The Minutes of the meeting held on 2 December 2002 were approved as a correct record and signed by the Chairman.

AP4 BUSINESS ARISING

Audit Manager

Councillor Mrs Taylor congratulated Simon Martin on gaining an MBA.

AP5 PROGRESS REPORT

Members considered a progress report on the activities of the Stevenage and Uttlesford Audit Partnership since the last meeting. It was noted that the partnership had become fully staffed in February when two experienced auditors had been recruited. Annual performance appraisals had been completed for all staff and two members of staff were studying towards qualifications with the Institute of Internal Auditors.

Since the last meeting the partnership's Senior Auditor had qualified as a Member of the Association of Chartered Certified Accountants and one of the Auditors had completed the practitioner's qualification with the Institute of Internal Auditors.

Members noted the benefits that had accrued from a common audit approach and working practices.

A partnership agreement had been drafted and it was hoped that Uttlesford District Council would ratify this at the Resources Committee meeting on 18 September 2003. The representatives from Stevenage said that they would aim for a similar date.

Members received details of the audit work which had been carried out in the period from October 2002 until March 2003. Audit related advice and assistance had also been provided when requested and a number of special investigations had been carried out. Details of the plan of audit work for 2003/04 were submitted and it was noted that some variation to the respective audit plans had already been agreed with nominated officers.

Councillor Mrs Taylor said that it was a positive report and added that it was important to obtain good publicity when the partnership agreement was signed. The Head of Finance said that Stevenage would be looking for some specialist audit skills particularly in relation to IT and contracts. He added that when Stevenage had gone through the IDeA Peer Review the audit partnership was seen as a positive indicator.

Councillor Lemon stressed the importance of having an adequate budget for training. Councillor Speller said that there was a need for audit to show how it added value. Audit also needed to prevent issues arising rather than picking them up when there were problems. He also added that there was scope to improve audit reporting arrangements at Stevenage. The Audit Manager said that the partnership service plan contained performance measures and value was added by providing audit assurance to management and Members. He added that there did need to be an increased emphasis on prevention but this ultimately depended on the level of internal audit coverage and management's response to internal audit reports. These issues were currently being explored by officers. He also added that Members at Stevenage did not receive details of internal audit reports. Most other councils had audit committees or other committees which had this function. This was something he and the Head of Finance were keen to explore.

AP6 **TRADING ACCOUNT**

Members received a copy of the Audit Partnership Trading Account for the period 1 October 2002 to 31 March 2003. It was noted that the accounts were subject to external audit.

AP7 **REVISED AUDIT PARTNERSHIP PILOT TIMESCALE**

It was noted that the pilot had originally been set up to last for two years to enable officers to determine how successful the joint working arrangements had been and provide sufficient time for officers to address personnel issues, arrangements relating to the host authority and to set up reporting mechanisms.

Following discussions at the last meeting and the completion of an officer review regarding the first six months of the partnership's operation it was felt that the pilot period should be shortened to eighteen months. This would

minimise disruption to respective Audit plans and allow the partnership to operate on a formal basis with its own agreed constitution.

RESOLVED that the pilot period for the internal audit partnership be reduced from two years to eighteen months (ending 31 March 2004).

AP8

PARTNERSHIP EXPANSION

At the last meeting it had been agreed that it would be desirable to admit another partner to the partnership, providing the initiative did not prejudice existing arrangements. A progress report on steps to identify suitable partners was submitted and it was noted that opportunities for attracting an additional partner appeared to be fairly limited. However, enquiries were being made with other Councils in an attempt to promote interest and informal discussions were being held with Harlow Council. Other councils would be contacted in the coming months and a further report would be made to the partnership.

Headline benefits had already accrued to Stevenage and Uttlesford without admitting a third partner. Nevertheless, it remained desirable that expansion was explored so that any remaining benefits were accumulated without prejudicing the existing arrangements.

RESOLVED that officers continue to explore all opportunities for partnership expansion.

The meeting ended at 8.15 pm.