

**STEVENAGE BOROUGH COUNCIL/UTTLESFORD DISTRICT COUNCIL
INTERNAL AUDIT PARTNERSHIP held at 7.30 pm at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN on 24 JANUARY 2005**

Present:- Councillor S C Jones (Uttlesford District Council),
Councillors P Gallagher, S Taylor and K Vale (Stevenage
Borough Council).

Officers in attendance:- S Martin, M J Perry and M T Purkiss (Uttlesford
District Council) and P Coletta (Stevenage Borough Council).

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

It was agreed that Councillor S C Jones be appointed as Chairman for the meeting.

Apologies for absence were received from Councillors M A Gayler and R M Lemon (Uttlesford District Council).

2 MINUTES

The Minutes of the meeting held on 5 February 2004 were received, confirmed and signed by the Chairman as a correct record.

3 SEALING THE PARTNERSHIP AGREEMENT

Simon Martin reminded Members of the history of the Partnership Agreement. He said that it had initially been set up for a trial period and, in view of its success, it had then been made permanent and a legal agreement had been prepared to formalise the arrangements. The Partnership was one of only a handful of internal audit partnerships in the country and it was hoped that there would be good publicity for the sealing of the Agreement in the Local Government media.

Councillor Taylor added that the Partnership had been an excellent and innovative initiative and had enabled the two authorities to deal with common issues and exchange good ideas.

The Agreement would be signed at the conclusion of the meeting.

4 PROGRESS REPORT

Simon Martin presented a detailed report providing feedback on the activities of the Partnership since the last Joint Committee meeting.

He said that staff continued to concentrate on delivering audit assignments at both councils and he explained the balance that was needed between planned and unplanned work. He explained the arrangements whereby the

Senior Auditor had been seconded whilst managing the implementation of a new Financial Information System at Stevenage and said that during this time one of the Auditors had been acting up as Senior Auditor. He had now returned to his substantive post. The substantive post had in turn been filled on a fixed term basis by someone recruited from an agency. Both officers had made significant contributions to completing the planned work at both councils and this had included an audit of housing response maintenance at Stevenage and Payroll at Uttlesford. He said that the seconded Senior Auditor was due to return in May 2005. Councillor Taylor said that she was particularly grateful for the response which the Partnership had provided on the audit of housing response maintenance.

It was noted that the Partnership was sponsoring one auditor from each council in studying towards qualifications with the Institute of Internal Auditors. Councillor Vale also congratulated Simon Martin on gaining an MBA from the Open University.

The report then set out the audits which had been completed, were in progress or had been assigned at both councils. Although there had been some variation to planned work the number of overall productive audit days was on target at both councils. The Partnership had also adopted a range of indicators that measured performance and standards against target as at the end of December 2004. Councillor Taylor was particularly pleased to note that the performance indicators for the Partnership and the costs involved were very favourable when compared against the mean from the benchmarking group.

Councillor Jones referred to the importance of risk management and asked officers to investigate whether there was scope for the two councils working together to help reduce costs and learn from best practice.

Simon Martin then referred to new initiatives which included the Audit Charter, making the Audit Partnership permanent, improving the involvement of Members, possibly through Scrutiny and the involvement with the benchmarking group.

5 BUDGET REPORT

Members considered a report which provided information about the Partnership's budget for 2004/05 and 2005/06. It was noted that each council produced budget data which was consolidated into an overall budget at Partnership level. This was used for budget monitoring purposes and to apportion costs between Stevenage and Uttlesford at the end of the financial year.

A budget for the Partnership was attached and remained subject to external audit. It was noted that there were only a small number of variances on individual budget heads in the year to date, the most significant being a probable reduction in travel and subsistence.

It was noted that the method of cost apportionment agreed between Stevenage and Uttlesford would reflect the balance of audit coverage at each council.

6 **AUDIT PLANS FOR 2005/06**

Simon Martin reminded Members that a five-year strategic plan had been approved at each council last year and would form the basis of the Partnership's work.

The annual audit coverage was traditionally linked to a rolling strategic audit plan which would ensure that all services were reviewed on a cyclical basis. The frequency with which services were audited within this cycle was dependant on the result of a risk assessment and being reconciled to available audit resource. Senior officers and Members had been consulted on the strategic plans to ensure ownership of this particular aspect of the Council's corporate governance framework.

Members then considered the respective plans in detail and were advised that they ensured annual coverage of key financial areas, bi-annual coverage of medium risk areas and less frequent coverage of low risk areas.

Councillor Jones asked if the officer from Stevenage could provide information to him regarding cemetery charges within that Council.

The meeting ended at 8.30 pm.