

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE
MINUTES**

Date: Monday 23 March 2015

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors: L Chester (Chair), J Gardner (Vice-Chair),
P Bibby, D Cullen and J Hollywell.

Also Present: T Barnett (Shared Internal Audit Service), T Blackman
and A Ayre (Grant Thornton)

Started: 6.00 p.m.

Ended: 6.55 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors A McGuinness and M McKay and Independent Member B Mitchell.

There were no declarations of interest.

2. MINUTES – AUDIT COMMITTEE – 2 FEBRUARY 2015

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 2 February 2015 be approved as a correct record and signed by the Chair subject to the amendment of a typographical error in paragraph 2 of Item 3. (Removal of the number 8 after the word 'deadline' in the second line).

3. CERTIFICATION LETTER

The Committee received the Certification Letter from the Council's External Auditors, Grant Thornton.

The Committee was advised that there were no issues arising from the certification work carried out by the External Auditors that required highlighting.

It was **RESOLVED** that the Certification Letter be noted.

4. AUDIT PROGRESS REPORT.

The Committee received the Audit Progress Report from the Council's External Auditors Grant Thornton.

In reply to a question the Committee was advised that the audit plan was on schedule for completion by the target date.

In reply to a request the Assistant Director (Finance) undertook to provide a copy of the 2020 Vision Statement to Members of the Committee.

It was **RESOLVED** that the report be noted.

5. DRAFT AUDIT PLAN

The Committee received the Audit Plan from the Council's External Auditors Grant Thornton.

The Committee was advised that no issues had been uncovered at the interim audit stage and that the full year end audit would be carried out in August with the findings reported to the Audit Committee in September.

In reply to a question it was confirmed that the Audit Plan covered all facets of the Council's activities, including housing.

It was **RESOLVED** that the report be noted.

6. INTERNAL AUDIT PROGRESS REPORT

The Committee received the Internal Audit Progress Report for the period to 6 March 2015.

The Committee was advised that since the report had been published a further 7% of the Audit Plan days had been delivered, making 92% in total and that a further 5 draft reports had been submitted.

The Committee was further advised that issues with SBC Officer availability had led to the postponement of the audit of the Housing Revenue Account Business Plan until the end of March 2015.

A Member requested that the Head of Business and Technology Services be invited to attend the next Audit Committee should the high level recommendations from the IT audits not be completed by the April 2015 deadline. The Assistant Director (Finance) undertook to arrange as necessary.

It was **RESOLVED** that the report be noted.

7. INTERNAL AUDIT PLAN 2015 – 2016

The Committee had before it the proposed Stevenage Borough Council Internal Audit Plan 2015/2016 for approval.

The Committee was advised that a detailed scoping exercise would be undertaken at the beginning of each review and that the timeframes shown within the plan were a guide at this stage.

In reply to a question it was confirmed that a staffing profile had been drafted for each review with the caveat that the profile could change. The Committee would be advised if this proved to be the case.

In response to a Member comment that successful completion of the plan relied on the availability of SBC as well as SIAS staff, the Committee was advised that once the timetable had been agreed Heads of Service would be contacted accordingly.

It was **RESOLVED** that the proposed Stevenage Borough Council Internal Audit Plan 2015/2016 be approved.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Committee received the annual report on the Council's Corporate Governance Arrangements.

The Committee was advised that there were no actions for the Council as a result of the introduction of the CIPFA/IFAC International Framework in August 2014.

Members then asked a number of detailed questions about the report, especially with regard to the monitoring of officer / team performance and the objectivity of the Council's self-assessment.

With regard to monitoring of performance the Committee was advised that this was the responsibility of the Corporate Governance Group, which would focus on areas of concern at a strategic level.

Regarding the Council's self-assessment the Committee was reminded that the Annual Governance Statement would be reviewed at the joint meeting with the Statement of Accounts Committee in September.

It was **RESOLVED**:

1. That the Council's self-assessment against the requirements that form the six key principles of corporate governance in the CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government*' (that also considers the complementary CIPFA/IFAC International Framework: '*Good Governance in the Public Sector*'), as set out in Appendix A to the report be noted.
2. That the progress made against actions identified for delivery in 2014/15, and actions planned for 2015/1 to enhance the Council's

corporate governance arrangements, as identified in Appendix A to the report be noted

9. URGENT PART 1 BUSINESS.

None.

10. EXCLUSION OF THE PRESS AND PUBLIC

It was **RESOLVED:**

1. That under Section 100 (A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as described in paragraphs 1-7 of Part I of Schedule 12A of the Act, as amended by SI 2006 No.88.
2. That having considered the reasons for the following item being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

PART II

11. STRATEGIC RISK REGISTER QUARTER 3 – 2014/2015

The Committee received the Strategic Risk Register for Quarter 3.

Concerns were expressed that some elements of the Register, for example performance against major contracts should be in Part 1 as it would be in the public interest for them to be so.

The Committee was advised that the monitoring of such contracts was already dealt with as a Part 1 item as they would be included in the quarterly reports to the Executive.

It was **RESOLVED:**

1. That the Strategic Risk Register Quarter 3 2014/15 (Appendices A1 – A5) be noted
2. That developments on risk management issues (as outlined in paragraph 4.2 of the report) be noted.

12. URGENT PART II BUSINESS

None.

Chair