

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: 8 June 2016

Time: 6:00 pm

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Members: Councillors: M McKay (Chair), H Burrell, L Chester, J Gardner, J Hollywell, G Lawrence and A McGuinness.

In Attendance: Independent (non-elected) Member B Mitchell, Shared Internal Audit Service (SIAS) officers: T Barnett (Head of Assurance SIAS) and C Wood (SIAS Audit Manager).

Start/End Time: Start Time: 6:00 pm
End Time: 6:50 pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for absence was received from Councillor D Cullen.

There were no declarations of interest.

2 APPOINTMENT OF VICE-CHAIR

The Chair invited nominations for the post of Vice-Chair.

It was moved, seconded and **RESOLVED** that Councillor J Gardner is appointed Vice-Chair of the Audit Committee for the Municipal Year 2016/2017.

3 TERMS OF REFERENCE

It was **RESOLVED** that the Terms of Reference are noted.

4 MINUTES – AUDIT COMMITTEE- 29 MARCH 2016

It was **RESOLVED** that the Minutes of the Audit Committee held on 29 March 2016 are approved as a correct record and signed by the Chair.

5 2015/2016 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT ANNUAL REPORT

The Committee received a report on the 2015/2016 Annual Assurance Statement and Internal Audit Report.

The Head of Assurance (SIAS) advised the Committee that an independent

peer review of SIAS had been undertaken and that SIAS had been awarded the highest standard possible from the review.

In response to a request from the Internal Auditor the Assistant Director (Finance) formally confirmed that the scope and resources for internal audit were subject to no inappropriate limitations in 2015/2016.

In reply to a question concerning the Commercialisation Agenda Audit the Committee was advised that the final report would be made available as soon as possible.

It was **RESOLVED**:

1. That the Annual Assurance Statement and Internal Audit Annual Report are noted.
2. That the results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme are noted.
3. That the Shared Internal Audit Service Audit Charter 2016/2017 is accepted.
4. That assurance is accepted that the scope and resources for internal audit were subject to no inappropriate limitations in 2015/2016.

6 INTERNAL AUDIT PROGRESS REPORT

The Committee received a report on Internal Audit Progress 2016/2017 for the period from 1 April 2016 to 20 May 2016.

The SIAS Audit Manager advised the Committee that the results of the 1st Quarter meant their yearly targets were likely to be met.

The Committee was notified that since the report had been published the Gas Service follow-up audit had been completed and that the number of billable days now stood at 16%.

It was **RESOLVED** that the Internal Audit Progress Report for the period to 20 May 2016 is noted.

7 ANNUAL GOVERNANCE STATEMENT 2015/2016

The Council's Annual Governance Statement for 2015/2016, following the review of the effectiveness of the Council's system of internal control, was brought before the Committee.

The Chair requested that the Minutes record the Committee's gratitude to the Corporate Performance and Improvement Manager for a concise, informative and easy to read report.

In reply to a question the Assistant Director (Finance) advised that external Audit partners found the report useful.

It was **RESOLVED** that the Council's 2015/2016 Annual Governance Statement be recommended for approval by the Statement of Accounts Committee.

8 URGENT PART I BUSINESS

The Committee was advised that the Local Government Association (LGA) had agreed with the Government for an extension to the retendering process for the provision of External Audit services.

The LGA had sought to facilitate a sector wide procurement process which could offer benefits by way of value for money and economies of scale for participating authorities. Stevenage Borough Council had expressed an interest in joining this initiative.

9 EXCLUSION OF PRESS AND PUBLIC

It was **RESOLVED** that:

1. 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 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.
2. Members considered the reasons for the following report being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

PART II

10 2015/2016 HOUSING SIAS AUDITS – (1) ROOFING CONTRACTS AUDIT (2) BMO MATERIALS AUDIT (3) BMO GAS SERVICING CONTRACT AUDIT

The Committee received a report on the 2015/2016 Housing SIAS Audits containing information on the Roofing Contracts Audit; BMO Materials Audit and BMO Gas Servicing Contract.

Members asked a number of detailed questions about the report which were answered by officers.

In response to a request the Internal Auditor undertook to provide a follow-up report on the Gas Servicing Contract at a future meeting of the Committee.

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

11 STRATEGIC RISK REGISTER QUARTER 4 2015/2016

The Committee received the Strategic Risk Register Quarter 4 2015/2016.

It was **RESOLVED** that:

1. The Strategic Risk Quarter 4 2015/2016 for Stevenage Borough Council be noted;
2. That developments on risk management issues, as outlined at paragraph 4.2 in the report, are noted.

12 URGENT PART II BUSINESS

None.

CHAIR