

SUMMARY OF DECISIONS TAKEN PART I

MEETING: Audit Committee
DATE: 9 November 2016
PLACE: Shimkent Room, Daneshill House, Stevenage, SG1 1HN
MEMBERS PRESENT: Councillors: M McKay (Chair), J Gardner (Vice Chair), H Burrell, L Chester, D Cullen, J Hollywell and G Lawrence.

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1	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST Apologies for absence were received from Councillor A McGuinness and Brian Mitchell – Independent Member. There were no declarations of interest.	ACTION/LEAD L Jerome Ext 2203
2	MINUTES – AUDIT COMMITTEE – 5 SEPTEMBER 2016 It was RESOLVED that the Minutes of the meeting of the Committee held on 5 September 2016 are approved as a correct record and signed by the Chair.	L Jerome Ext 2203
3	MINUTES AUDIT COMMITTEE – 28 SEPTEMBER 2016 It was RESOLVED that the Minutes of the meeting of the Committee held on 28 September 2016 are approved as a correct record and signed by the Chair.	L Jerome Ext 2203
4	REVISION TO CONTRACT STANDING ORDERS 2016	

	<p>The Committee received a report on proposed revisions to the Council's Contract Standing Orders (CSO's). The Assistant Director Finance detailed to the Committee the main changes relating to:</p> <ul style="list-style-type: none"> • Reinforcement of where the responsibility lies for compliance with the CSO's; • For quotations, CSO's now say that Members of SBC support the use of local suppliers and that staff may wish to consider inviting them to quote for opportunities; • The electronic tendering system would now be the only option for the process enabling a full audit trail of all communications and to make data transparency a simpler process; • The EU Procurement Directive thresholds to be updated in line with the latest thresholds; • The section on the engagement of consultants had been enhanced. <p>Members questioned the use of the word 'may' in relation to the use of local suppliers. The Assistant Director Finance advised that the advice received from the Borough Solicitor was that the Council could not direct staff to use local suppliers as the Council would be open to challenge in relation to the procurement process but agreed to revisit this once more with the Borough Solicitor.</p> <p>In relation to the EU Procurement Directive thresholds, the Council was following the current rules as the impact of Brexit was as yet unknown.</p> <p>It was RESOLVED that revised Contract Standing Orders be recommended to Council for approval.</p>	L Baldock Ext 2083
5	<p>APPOINTMENT OF EXTERNAL AUDITOR (FOR AUDITS OF ACCOUNTS FROM 2018/19 ONWARDS)</p> <p>The Assistant Director Finance submitted a report outlining the preferred mechanism for the appointment of the Council's external auditors for the Statement of Accounts 2018/19 onwards.</p> <p>The Committee was advised of the benefits of opting in to the appointing person regime which was likely to result in better buying power than contracting as a single entity.</p> <p>It was RESOLVED to recommend to the Executive and Council that the Council opts in to the appointing person arrangements provided by Public Sector Audit Appointments (PSAA) for the</p>	A Thomas Ext 2430

	appointment of external auditors for a five year period commencing on the 1 April 2018.	
6	<p>INTERNAL AUDIT PROGRESS REPORT</p> <p>Chris Wood, SIAS Audit Manager introduced the Shared Internal Audit Service Progress Report. He advised that since the last meeting of the Committee a number of reports and assignments had been issued or completed.</p> <p>The Committee noted that the Cyber Risk Draft Audit Report remained with management for a formal response prior to issue as a final report. Officers agreed that this would be submitted to the next meeting of the Committee in January 2017.</p> <p>Members expressed concern regarding the storage and retention of paper documents containing personal data and requested that timescales be established for this to happen as soon as practicably possible. The Assistant Director Finance advised that this would be followed up and raised at the Corporate Governance group.</p> <p>Officers reassured Members that in relation to the security of data, there were inherent protections in the systems used by the Council and all staff were fully trained in how to deal with the systems in place.</p> <p>It was RESOLVED that Members are recommended to note the Internal Audit Progress Report for the period to 28 October 2016</p>	<p>C Wood/ P Tyler Ext 2091</p> <p>C Fletcher Ext 2933</p>
7	<p>2016/17 MID YEAR TREASURY MANAGEMENT REVIEW</p> <p>The Assistant Director Finance reported on updates to the 2016/17 Treasury Management and Investment Strategy. The Committee was advised that it was proposed to remove the requirement to maintain a minimum of £10million in instant access or overnight balances. Officers considered the prescribed amount to be unnecessary but would have due regard to the day to day cash flows required by the Council. The aim was not to undertake short term borrowing but should this be required it would be permitted within the authorised limit.</p>	<p>C Fletcher Ext 2933</p>

	<p>In response to a question, the Assistant Director Finance agreed to include within the Treasury Management reports to this Committee when any short term borrowing had been necessary.</p> <p>It was RESOLVED</p> <ol style="list-style-type: none"> 1. That the following be recommended to Council – <ol style="list-style-type: none"> 1.1 That the 2016/17 Treasury Management Mid-Year Review and the prudential and treasury indicators in this report be approved. 1.2 That the removal of the current treasury management limit to maintain £10Million in instant access or overnight balances limits (paragraph 4.7.9 and Appendix C) be approved 1.3 That the latest approved Countries for investments be agreed (paragraph 4.7.11 Appendix D). 	<p>C Fletcher Ext 2933</p>
8	<p>ANNUAL AUDIT LETTER</p> <p>Ernst and Young Auditors presented the Annual Audit letter for the year ended 31 March 2016. She advised the Committee that there had been no changes since she previous meeting.</p> <p>It was RESOLVED that the Annual Audit Letter for the Year ended 31 March 2016 be received.</p>	
9	<p>URGENT PART I BUSINESS</p> <p>None</p>	<p>L Jerome Ext 2203</p>
10	EXCLUSION OF PRESS AND PUBLIC	

	<p>It was RESOLVED that:</p> <ol style="list-style-type: none"> 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 having 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. 	L Jerome Ext 2203
<u>PART II</u>		
11	<p>PART II MINUTES AUDIT COMMITTEE – 5 SEPTEMBER 2016</p> <p>It was RESOLVED that the Part II Minutes of the meeting of the Committee held on 5 September 2016 are approved as a correct record and signed by the Chair subject to T Barnett being replaced by N Jennings as present at the meeting.</p>	L Jerome Ext 2203
12	<p>STRATEGIC RISK REGISTER</p> <p>It was RESOLVED</p> <ol style="list-style-type: none"> 1. That the latest Strategic Risk Register be noted (Appendices A1 – A5). 2. That developments on risk management issues are noted as outlined in section 4.2. 	E Wright Ext. 2192
13	<p>URGENT PART II BUSINESS</p> <p>None.</p>	L Jerome Ext 2203