

SUMMARY OF DECISIONS TAKEN PART I

MEETING: Audit Committee
DATE: 1 February 2017
PLACE: Shimkent Room, Daneshill House, Stevenage, SG1 1HN
MEMBERS PRESENT: Councillors: Councillors M McKay (Chair), J Gardner (Vice Chair), H Burrell, L Chester, D Cullen, J Hollywell, G Lawrence and A McGuinness.

Independent Non-Elected Member: B Mitchell

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1	<p>APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST</p> <p>There were no apologies for absence and no declarations of interest.</p>	<p>ACTION/LEAD</p> <p>L Jerome Ext 2203</p>
2	<p>MINUTES – AUDIT COMMITTEE – 9 NOVEMBER 2016</p> <p>It was RESOLVED that the Minutes of the meeting of the Committee held on 9 November 2016 are approved as a correct record and signed by the Chair.</p> <p>The Assistant Director (Finance and Estates) advised the Committee that the report referred to at Minute 6 – Internal Audit Progress Report 2016/17 in relation to the Cyber Risk Draft Audit Report would be reported to the Committee in March 2017.</p>	<p>L Jerome Ext 2203</p>
3	<p>TREASURY MANAGEMENT STRATEGY STATEMENT INCLUDING PRUDENTIAL CODE INDICATORS</p>	<p>C Fletcher Ext 2933</p>

The Assistant Director (Finance and Estates) presented a report which reviewed the current Treasury Management and Investment Strategy including prudential indicators.

A replacement page 36 was tabled which changed the Money Market Funds to no limit on total cash held, the levels of Enhanced Cash Funds to a maximum of £3 million and included Property Funds which would be subject to consultation and approval limited to £3 million.

Members were broadly happy with the proposed changes to the Strategy but in relation to Property Funds were of the view that should the Assistant Director consider that the use of Property Funds was appropriate based on market conditions, the Audit Committee should be consulted along with the Resources Portfolio Holder rather than just the Chair of the Audit Committee.

It was **RESOLVED**

1. That subject to the changes referred to above and in recommendation 5 below and any comments from Executive, the Treasury Management Review is recommended to Council for approval.
2. That Council be recommended to approve the increase in the Treasury Limit for “Fixed Rate more than 12 months to maturity” to £10Million when balances are in excess of £30Million.
3. That Council note the use of short term borrowing where appropriate.
4. That Council be recommended to remove the total limit on the amount of funds invested in Money Market Funds.
5. That Council be recommended to approve the use of property funds, subject to market conditions and in consultation with the Resources Portfolio holder and the Audit Committee up to a maximum of £3Million.
6. That Council be recommended to approve the use of enhanced cash funds up to a limit of £3Million.

	<p>7. That Council be recommended to approve the opening of a custodian account and the use of the Certificates of Deposits (held to maturity) up to a maximum of £5Million.</p> <p>8. That Council be recommended to approve the 2017/18 Treasury Management Strategy.</p>	
4	<p>SHARED INTERNAL AUDIT SERVICE 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>In relation to the Audit report on commercialisation, the Committee was advised that the newly appointed Commercial Manager would be reviewing current and new income opportunities and in conjunction with the Senior Management Review would be generating ideas and other efficiency options which would begin to address the recommendations in the Audit report.</p> <p>It was RESOLVED that the Internal Audit Progress Report for the period to 16 January 2017 is noted.</p>	
5	<p>CERTIFICATION OF CLAIMS & RETURNS ANNUAL REPORT 2015-16</p> <p>Kay Storey, Ernst and Young (EY) presented a report summarising the results of EY's work on the Council's 2015/16 claims.</p> <p>It was RESOLVED that the report is noted.</p>	
6	<p>AUDIT PLAN</p> <p>Neil Harris, Ernst and Young (EY) presented to the Committee EY's Audit Plan which provided Members with the proposed audit approach and scope for the 2016/17 audit. The Plan summarised the key risks for an effective audit for the Council and outlined the planned audit strategy in response to those risks.</p>	

	<p>In response to the Council's concerns on the timing of the External Audit, Neil Harris advised that he was confident that EY could address these concerns to ensure the issues of this year were not repeated. The Assistant Director (Finance and Estates) reassured the Committee that joint planning with EY had started earlier and the Council was prepared for the July start for the Audit.</p> <p>It was RESOLVED that the report is noted.</p>	
7	<p>URGENT PART I BUSINESS</p> <p>None</p>	L Jerome Ext 2203
8	<p>EXCLUSION OF PRESS AND PUBLIC</p> <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 item 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>		
9	<p>PART II MINUTES AUDIT COMMITTEE – 9 NOVEMBER 2016</p> <p>It was RESOLVED that the Part II Minutes of the meeting of the Committee held on 9 November 2016 are approved as a correct record and signed by the Chair.</p>	L Jerome Ext 2203

<p>10</p>	<p>FINAL INTERNAL AUDIT REPORT – STEVENAGE BOROUGH COUNCIL – DOMESTIC HEATING SYSTEMS CONTRACT 2016/17</p> <p>The Committee received a report from the Shared Internal Audit Service (SIAS) in relation to the Audit undertaken on the Council’s Domestic Heating Systems Contract 2016/17.</p> <p>It was RESOLVED that the report is noted.</p>	
<p>11</p>	<p>URGENT PART II BUSINESS</p> <p>None.</p>	<p>L Jerome Ext 2203</p>