

SUMMARY OF DECISIONS

Meeting:	Audit Committee	
Date:	Tuesday, 19 March 2019	
Place:	Shimkent Room - Shimkent Room - Daneshill House, Danestrete	
Members Present:	Councillors:	Maureen McKay (Chair), John Gardner (Vice-Chair), Howard Burrell, Laurie Chester, Graham Lawrence, John Lloyd and Graham Snell. Mr Geoff Gibbs (Independent Member).

1	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST	I Gourlay x2703
	<p>Apologies for absence were received from Councillor David Cullen.</p> <p>There were no declarations of interest.</p>	
2	MINUTES - 4 FEBRUARY 2019	I Gourlay x2703
	<p>It was RESOLVED that the Minutes of the Audit Committee meeting held on 4 February 2019 be approved as a correct record and signed by the Chair.</p>	
3	SHARED ANTI-FRAUD SERVICE - ANTI-FRAUD PLAN 2019/20	N Jennings (SAFS)
	<p>In response to Members' questions, the Shared Anti-Fraud Service Manager commented as follows:</p> <ul style="list-style-type: none"> • the staffing levels of the Service had increased following Luton Borough Council joining the partnership in 2017 – this had provided greater flexibility in the deployment of staff to support all of the partner authorities; • National level of fraud – there were figures to support a level of known fraud, but the various figures produced by various institutions, such as CIPFA or the National Audit Office, also included estimated risks of unknown fraud; • New activities to be undertaken by SAFS in 2019/20 included enhanced anti-fraud work on procurement matters; Right to Buy housing fraud (money laundering etc.); and joint work with the Cabinet Office on a new national fraud initiative; 	

- The £2,000 increase in fees payable by SBC to SAFS for 2019/20 had been the first such increase since the partnership was established in 2015 (increased costs in previous years had been absorbed by SAFS);
- SBC’s contribution towards the Herts Fraud Hub would be £4,000, although it was hoped that this would be recouped over time through improved and swifter data sharing methods to assist in the prevention/detection of fraud;
- The new 2019/20 Key Performance Indicator (KPI) target relating to the number of social homes secured from sub-letting or other unlawful tenancy breaches had been set at 12 for the year, as these cases were often complex and took time to resolve. However, it was hoped that this target would be exceeded; and
- The “other” types of fraud set out in the Annual Fraud Indicator (AFI) statistics 2017 of the cost of fraud to the UK economy, included Business Rates fraud, Insurance fraud, etc.

The SAFS Anti-Fraud Manager undertook to provide Members of the Committee with the full CIPFA Counter Fraud and Corruption Tracker report, which was an annual survey of fraud activity in councils and measured detection rates across local government and across different types of fraud.

It was **RESOLVED:**

1. That the SAFS / SBC Anti-Fraud Plan 2019/20, as attached at Appendix B to the report, be approved.
2. That the Local Government Association Councillors Workbook on Fraud and Bribery Prevention 2017 be noted.

4	CORPORATE GOVERNANCE ARRANGEMENTS	R Protheroe x2938 S Brightwell x2966
<p>Officers responded to the following questions raised by Members:</p> <ul style="list-style-type: none"> • Annual Governance Statement (AGS) 2017/18 Action 3 – new arrangements for the delivery of repairs and voids had resulted in improvements to service delivery during Quarter 3 of the 2018/19 financial year; • AGS 2017/18 Action 4 – about a third of the Fourth Tier Management reviews had been completed. The remaining two-thirds, mainly comprising staff in the Housing & investment Team and Stevenage Direct Services, were scheduled for completion during Quarter 1 of 2019/20; 		

- AGS 2017/18 Action 5 – a draft ICT Strategy (including investment proposals) and roadmap was being developed to enhance improvement activity throughout 2019/20;
- AGS 2018/19 Action 1 – the Assistant Director (Corporate Services & Transformation) undertook to provide Members of the Committee with further detail as to the resourcing of the Aids & Adaptations Policy, and the review of the ability and financial viability to take on sub-contracted works in-house;
- AGS 2018/19 Action 7 – the SIAS Client Audit Manager confirmed that the governance framework and business plan for the CCTV Partnership was due to be reviewed at the meeting of the Joint CCTV Partnership Committee at its meeting to be held on 10 April 2019; and
- SBC's Corporate Governance Group was chaired by the Assistant Director (Finance & Estates), with the Assistant Director (Corporate Services & Transformation) as Vice-Chair, and comprised other senior officers, as well as the SIAS Client Audit Manager.

It was **RESOLVED:**

1. That progress on significant corporate governance enhancement activity during 2018/19 be noted.
2. That corporate governance enhancement activity identified for 2019/20, for inclusion in the Council's 2018/19 Annual Governance Statement, be noted.

5	SHARED INTERNAL AUDIT SERVICES - PROGRESS REPORT 2018/19	S Martin (SIAS)
	<p>In reply to Members' queries, the SIAS Client Audit Manager commented:</p> <ul style="list-style-type: none"> • As referred to earlier in the meeting, the High Priority Recommendations relating to the CCTV Partnership were scheduled to be addressed by the Joint CCTV Partnership Committee at its meeting to be held on 10 April 2019; • The Client Satisfaction Performance Indicator had met the 100% target, although it was noted that only 11 of 29 questionnaires had been completed and returned to SIAS, despite regular reminders. The Assistant Director (Corporate Services & Transformation) undertook to raise this issue with Senior Leadership Team colleagues; and 	

- Joint Reviews – only 2 out of 4 billable audit days had been delivered during 2018/19 (relating to the CCTV Partnership review). There had been no appetite during the year for any further Joint Review audit work.

It was **RESOLVED**:

1. That the Internal Audit progress report 2018/19 be noted.
2. That the amendments to the Internal Audit Plan, as at 1 March 2019, be approved.
3. That the status of Critical and High Priority Recommendations be noted.

6	SHARED INTERNAL AUDIT SERVICE - INTERNAL AUDIT PLAN 2019/20	S Martin (SIAS)
<p>In respect of the Hertfordshire Home Improvement Agency (HHIA) audit, the SIAS Client Audit Manager explained that this audit had received a “Limited” assurance level at draft report stage. Once finalised, the audit report would be submitted to the Committee.</p> <p>A number of Members had experienced communication problems when dealing with HHIA-related enquiries from residents, in respect of the taking of responsibility to deal with issues between officers of Hertfordshire County Council and SBC. The Assistant Director (Corporate Services & Transformation) undertook to provide clarity between the respective responsibilities of HCC and SBC under the HHIA Agreement, and circulate this to Members of the Committee.</p> <p>The Client Audit Manager was requested to give consideration to a possible amendment to the Client Satisfaction Performance Indicator included in the Audit Plan, so that the target was for 100% of survey questionnaires to be returned, with a satisfaction rate of 95%.</p> <p>It was RESOLVED that the proposed Stevenage Borough Council Internal Audit Plan for 2019/20, as attached at Appendix A to the report, be approved.</p>		

7	URGENT PART 1 BUSINESS	
	None.	
8	EXCLUSION OF PUBLIC AND PRESS	
	<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 items of business on the grounds that they 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 reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure. 	
9	STRATEGIC RISK REGISTER	R Protheroe x2938 S Kingsley-Smith x2390
	<p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That the latest Strategic Risk Register (set out in Appendices A1 – A3 to the report) be noted. 2. That developments on risk management issues be noted. 	

10	URGENT PART II BUSINESS	
	None.	