

SUMMARY OF DECISIONS

Meeting:	Audit Committee	
Date:	Tuesday, 9 June 2020	
Place:	Virtual (via Zoom)	
Members Present:	Councillors:	Teresa Callaghan (Chair), John Gardner (Vice-Chair), Sandra Barr, Stephen Booth, Laurie Chester, Lizzy Kelly, Graham Lawrence
		Geoffrey Gibbs (Independent Co-opted Member)

1	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST	
	<p>There were no apologies for absence.</p> <p>There were no declarations of interest.</p> <p>The new Chair conveyed Councillor Maureen McKay's gratitude for Members' support during her time on the Audit Committee. A Member requested that individual agenda reports be bound separately.</p>	
2	MINUTES - 3 FEBRUARY 2020	
	<p>It was RESOLVED that the Minutes of the Audit Committee meeting held on 3 February 2020 be approved as a correct record and signed by the Chair.</p>	
3	TERMS OF REFERENCE	
	<p>It was RESOLVED that the Terms of Reference for the Audit Committee, as agreed by the Annual Council meeting on 20 May 2020, be noted.</p>	

4	PUBLIC SECTOR AUDIT APPOINTMENTS (PSAA) ANNUAL AUDIT FEE LETTER	C. Fletcher x 2933
<p>The Public Sector Audit Appointments (PSAA) annual audit fee letter highlighted a change from the previous practice of audit firms contacting bodies directly. Members expressed concerns regarding variations in scale fees indicated in the PSAA letter and those quoted by the external auditor (Ernst & Young). Strategic Director (CF) assured Members that she would be responding to the PSAA annual audit fee letter.</p> <p>It was RESOLVED that the Annual Audit Fee Letter for 2020/21 from Public Sector Audit Appointments (PSAA) dated 30 April 2020 be noted.</p>		
5	EXTERNAL AUDIT PLANNING REPORT 2019/20	A. Thomas x2430
<p>Members reiterated the significant difference between PSAA scale fees and the quote from Ernst & Young (E&Y). It was noted that the Council had accommodated audit delays relating to resources issues at E&Y in the previous financial year.</p> <p>In response to Members' questions, the Associate Partner (E&Y) replied:</p> <ul style="list-style-type: none"> • The majority of local authorities were facing financial pressures due to responses to the Covid-19 pandemic • SBC was in a relatively more volatile position due to the swift and wide-ranging response to the pandemic • E&Y had been open about resources issues. Specialist resources were drawn in to work on the complex arrangements at Queensway LLP • E&Y carried out representative sample testing to ensure that the definition of capital receipts was met <p>Strategic Director (CF) informed the Committee that:</p>		

	<ul style="list-style-type: none"> • The Council was quick in identifying the impact of Covid-19 on finances • Monitoring measures had been put in place and Executive received regular updates • Review of the Medium Term Financial Strategy and Impact of Covid-19 on the Council’s General Fund Revenue Budget were on the agenda of the 10 June meeting of the Executive • The Council set de minimis levels to distinguish capital from revenue spending <p>It was RESOLVED that Ernst & Young’s External Audit Planning report for 2019/20 be noted.</p>	
6	PROPOSED SHARED ANTI-FRAUD SERVICE (SAFS) ANTI-FRAUD PLAN 2020/21	N. Jennings (SAFS)
	<p>The Head of Service (Shared Anti-Fraud Service) presented the proposed Shared Anti-Fraud Service (SAFS) Plan 2020/21.</p> <p>In response to questions, the Head of Service (SAFS) stated there was a focus on preventing fraud. Fraud had financial and/or reputational impact on individuals and organisations.</p> <p>Strategic Director (CF) informed the Committee that the Department for Work and Pensions (DWP) had the remit for housing benefit fraud.</p> <p>It was RESOLVED that the SAFS/SBC Anti-Fraud Plan 2020/2021 be approved.</p>	
7	SIAS INTERNAL AUDIT PLAN 2020/21	S. Martin (SIAS)
	<p>The SIAS Client Audit Manager presented the proposed Stevenage Borough Council Internal Audit Plan 2020/21. The Committee were advised about the impact of COVID-19 on Audit Plan delivery. In response to a question, the SIAS Client</p>	

	<p>Audit Manager indicated that SIAS would liaise with senior managers about prioritising audits for the remainder of 2020/21. Changes to the Audit Plan would be brought to the Committee's attention in future SIAS Progress Reports.</p> <p>It was RESOLVED that the proposed Stevenage Borough Council Internal Audit Plan for 2020/21 be approved.</p>	
8	ANNUAL ASSURANCE STATEMENT AND ANNUAL REPORT 2019/20	S. Martin (SIAS)
	<p>The SIAS Client Audit Manager presented the Stevenage Borough Council Annual Assurance Statement and Annual Report 2019/20.</p> <p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That the Annual Assurance Statement and Internal Audit Report be noted. 2. That the results of the self-assessment required by the Public Sector Internal Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP) be noted. 3. That the SIAS Audit Charter 2020/21 be accepted. 4. That management assurance be given that the scope and resources for internal audit were not subject to inappropriate limitations in 2019/20. 	
9	ANNUAL GOVERNANCE STATEMENT 2019/20 AND LOCAL CODE OF CORPORATE GOVERNANCE	S. Brightwell X 2966
	<p>The Corporate Performance and Improvement Officer reported that preparations for the drafting of the Annual Governance Statement 2019/20 had been affected by the Covid-19 pandemic. The Corporate Performance and Improvement Officer</p>	

confirmed that Service Governance Actions had been submitted by Assistant Directors. Strategic Directors and the Chief Executive received progress updates on the actions at Senior Leadership Team (SLT) meetings. The Corporate Performance and Improvement Officer also highlighted the recommendation for an annual review of the Council's Local Code of Corporate Governance.

It was **RESOLVED**:

1. That the Council's 2019/20 Annual Governance Statement, attached as Appendix One, be recommended for approval by the Statement of Accounts Committee.
2. That changes to the Council's Local Code of Corporate Governance, attached at Appendix Two, be approved.

10	URGENT PART 1 BUSINESS	
	None.	
11	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.	

12	STRATEGIC RISK REGISTER	S. Kingsley-Smith X 2390
	<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. 	
13	URGENT PART II BUSINESS	
	None.	