

SUMMARY OF DECISIONS

Meeting:	Audit Committee	
Date:	Wednesday, 8 September 2021	
Place:	Council Chamber, Daneshill House, Danestrete, Stevenage	
Members Present:	Councillors:	John Gardner (Vice-Chair in the Chair), Myla Arceno, Julie Ashley-Wren, Stephen Booth, Graham Lawrence, Nick Leech, Maureen McKay, Claire Parris and Loraine Rossati. Mr Geoffrey Gibbs (Independent Non-voting Member).

1	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST	
	Apologies for absence had been submitted by Councillor Teresa Callaghan (Chair). There were no declarations of interest.	
2	MINUTES - 8 JUNE 2021	
	It was RESOLVED that the Minutes of the meeting of the Audit Committee held on 8 June 2021 be approved as a correct record and signed by the Chair.	
3	EXTERNAL AUDIT OF SBC ACCOUNTS 2019/20 - PROGRESS REPORT	
	Neil Harris from Ernest & Young (E&Y) provided an update to Members on the External Audit of Accounts for 2019/2020, together with proposals for the External Audit of the 2020/21 Accounts. In response to a Member's question regarding audit capacity, Neil advised that this was a national problem across all Public Sector Audit suppliers, exacerbated by the increasing strain on Local Authority Finance Teams. However, the Ministry of Housing, Communities and Local Government (MHCLG) would be undertaking a national root and branch review of the issue. In reply to a further question, the Strategic Director (CF) confirmed that the previous requirement had been for the unaudited	

accounts to be published by the end of May each year, to enable the external audit to take place thereafter (SBC had met this deadline up to 2020). The existing problems and delays regarding the 2019/20 accounts had been an unprecedented combination of staff turnover, a shortage of finance professionals and the impact of the Covid pandemic.

As there were still a number of outstanding queries on the 2019/20 accounts, together with the need to allow time for consultation and final review, it was confirmed that the Audit Committee/Statement of Accounts Committee meeting scheduled for 29 September 2021 would be cancelled.

It was **RESOLVED** that the verbal progress report on the external audit of the SBC accounts 2019/20 be noted.

4

SHARED ANTI-FRAUD SERVICE (SAFS) ANNUAL REPORT 2020/21

The Head of the Shared Anti-Fraud Service (SAFS) presented an annual report in respect of the Anti-Fraud Plan 2020/21.

In response to a series of Member's questions, the Head of the Shared Anti-Fraud Service replied as follows:

- SAFS remote access to partner Council IT systems had improved;
- Members of the public, neighbours and Housing Officers were the major sources of SAFS being informed of empty or illegally sub-let Council properties, together with interrogation of relevant Council IT systems;
- The Key Performance Indicators for 2021/22 were similar to those for 2020/21 to allow for managing the workload within existing resources and to concentrate on good quality support and investigations, rather than trying to achieve unrealistic quantitative targets;
- In terms of whistleblowers, SAFS would only become involved should fraud be alleged by the whistleblower, and all non-fraud cases were the responsibility of the Strategic Director (CF); and

- It was confirmed that welfare fraud had remained stable throughout 2020/21; tenancy fraud had experienced some movement/fluctuation; and only one Covid-19 Support Grant application had been investigated for fraud.

In reply to a Member's request, the Head of the Shared Anti-Fraud Service undertook to provide that Member with a copy of an SBC Tenancy Agreement.

It was **RESOLVED**:

1. That the Council's work to combat fraud in 2020/21 be noted.
2. That the performance of the Shared Anti-Fraud Service (SAFS) in meeting its Key Performance Indicators in 2020/21 be noted.

5	SHARED ANTI-FRAUD SERVICE (SAFS) ANTI-FRAUD PLAN 2021/22 - PROGRESS	
<p>The Head of the Shared Anti-Fraud Service (SAFS) gave a verbal update regarding progress with delivery of the 2021/22 Anti-Fraud Plan.</p> <p>In response to a Member's question, the Head of the Shared Anti-Fraud Service commented that it would be difficult to measure the level of fraud in Stevenage in comparison with other areas of the UK. The Strategic Director (CF) added that performance was related to the number of cases detected, but that this could not be quantified in relation the total level of fraud (detected or undetected) in any given local authority area. She stated that there was a role for the Audit Committee to ensure that good governance and controls were place when it received audit outcomes/recommendations from SIAS following audits of various service areas.</p> <p>It was RESOLVED that the progress of Shared Anti-Fraud Service (SAFS) in respect of the Anti-Fraud Plan 2021/22 be noted.</p>		

6	SIAS INTERNAL AUDIT PLAN 2021/22 - PROGRESS REPORT	
	<p>The SIAS Client Audit Manager presented a progress report with regard to the SIAS Internal Audit Plan 2021/22 (up to 20 August 2021).</p> <p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That the SIAS Internal Audit Plan 2021/22 progress report be noted. 2. That the changes to the SIAS Internal Audit Plan 2021/22, as at 20 August 2021, be approved. 3. That the status of Critical and High Priority Recommendations be noted. 	
7	ANNUAL TREASURY MANAGEMENT STRATEGY - REVIEW OF 2020/21	
	<p>The Strategic Director (CF) presented a report on the Annual Treasury Management Review of 2020/21, including the Prudential Code.</p> <p>In reply to Members' questions, the Strategic Director (CF) explained the composition of "Other Allocated Reserves" set out in the pie chart at Paragraph 2.2.4.2 of the report; and confirmed that SBC investments were managed through external treasury management advisors, who would of course endeavour to seek the most advantageous interest rates possible on investments.</p> <p>It was RESOLVED that, subject to any comments from the Executive, the 2020/21 Annual Treasury Management Review be recommended to Council for approval.</p>	

8	URGENT PART 1 BUSINESS	
	None.	
9	EXCLUSION OF PUBLIC AND PRESS	
	<p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That under Section 100A 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. That 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. 	
10	PART II MINUTES - AUDIT COMMITTEE - 8 JUNE 2021	
	It was RESOLVED that the Part II Minutes of the meeting of the Audit Committee held on 8 June 2021 be approved as a correct record and signed by the Chair.	
11	STRATEGIC RISK REGISTER	
	<p>The Committee received the Council's latest Strategic Risk Register.</p> <p>The Corporate Performance & Improvement Officer updated the Committee on changes to key risks and answered Members'</p>	

questions.

It was **RESOLVED:**

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.

12	URGENT PART II BUSINESS	
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