

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Tuesday, 8 June 2021

Time: 6.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Teresa Callaghan (Chair), Myla Arceno, Julie Ashley-Wren, Stephen Booth, Graham Lawrence, Nick Leech, Maureen McKay, Claire Parris, Loraine Rossati and Mr Geoffrey Gibbs (Independent Member).

Start / End Start Time: 6.00pm

Time: End Time: 7.37pm

1 **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were received from Councillor John Gardner.

There were no declarations of interest.

2 **ELECTION OF VICE-CHAIR**

It was proposed and seconded that Councillor John Gardner be appointed as a Vice-Chair for the Committee for the Municipal year 2021/22.

3 **MINUTES - 24 MARCH 2021**

It was **RESOLVED** that the minutes of the Audit Committee meeting held on Wednesday 24 March 2021 be approved as a correct record and signed by the Chair.

4 **TERMS OF REFERENCE**

The Committee noted the Terms of Reference.

5 **2019/20 EXTERNAL AUDIT OF SBC ACCOUNTS - PROGRESS**

Robert Garnett from Ernest & Young (E&Y) provided an update to Members on the External Audit of accounts for 2019/2020. He advised Members that the Audit of accounts for 2019/20 had not been concluded yet. He explained that he was liaising closely with the Council officers to reach a conclusion.

He informed Members that there were several areas being reviewed, such as Asset Valuations, Capital and financial statements, and that it was a complicated matter.

The independent co-opted Member Geoffrey Gibbs was concerned that the delay had put pressure on the staff and on the budget, and further delay could put the

Council's reputation in question.

Strategic Director (CF) explained that Covid-19 had impacted upon the service, however, progress had been made, and officers were working together with E&Y to bring this to a conclusion and present it to the Committee.

It was **RESOLVED**:

- That the verbal update on External Audit accounts for 2019/20 be noted.

6 **ANNUAL ASSURANCE STATEMENT AND ANNUAL REPORT 2020/21**

The SIAS Client Audit Manager updated Members on the Annual Assurance Statement and on the Internal Audit Annual Report for 2020/21. He advised Members that based on the internal audit work undertaken for 2020/21; the overall opinion on financial systems and non-financial systems was of satisfactory assurance. He explained that the Progress report contained the summary of work currently being undertaken by the Shared Internal Audit Service.

The following was outlined for Members of the Audit Committee:

- Overview of the Internal Audit Activity for 2020/21;
- Performance of the Internal Audit Service in 2020/21; targets dates were met;
- The SIAS Audit Charter annual review did not result in any fundamental changes;
- The external quality assessment started and would take approximately two weeks and the report would be presented to SIAS Board meeting on 23 June 2021;
- The targets set by the SIAS Board for the internal Audit performance 2020/21, were largely met and were positive.

Members were assured on card payment compliance. The Council reviewed different ways of accepting payment and where it could, would encourage automatic payments. The Council was currently looking to replace the software system for payments and join East Herts Council for a shared service.

In response to a question, the SIAS Client Audit Manager advised Members that the Council's strategic Covid19 response was scheduled for 2021/22 Audit Plan. The audit would cover pandemic related areas, such as business rate. Members would be presented with the outcome.

It was **RESOLVED**:

- That the Annual Assurance Statement for the Internal Audit Annual Report for 2020/21 be noted.
- That the result of the self-assessment required by the Public Sector Internal Audit Standards be noted.

- That the SIAS Audit Charter be approved.
- That the scope and resources for internal audit were not subject to inappropriate limitations in 2020/21.

7 **ANNUAL GOVERNANCE STATEMENT 2020/21 AND LOCAL CODE OF CORPORATE GOVERNANCE**

The Senior Performance and Resilience Officer presented Annual Governance Statement and Local Code of Corporate Governance for 2020/21. She advised Members on the content of the Annual Governance Statement for 2020/21 and on the changes to the Council's Local Code of Corporate Governance.

As a result of Covid-19, the timeline for draft Statement of Accounts and Annual Governance Statement for 2020/21 publication was extended. She explained that it would now be published by the end of July, subject to any further changes and recommendations by the Committee. It would be approved by the Statement of Account Committee in due course.

The planned improvement activity for Annual Governance Statement for 2021/22 were summarised in the officer report. Eight actions were carried over from 2020/21, although there had been activities taken place on those actions, but because of their nature, they were long standing items which would be resolved in a slower pace. Four new actions have been identified, including the Transformation Programme.

She further explained that the Local Code of Corporate Governance had recently been reviewed and was not significantly changed. She provided the following updates on Local Code of Corporate Governance:

- Addition of the New Anti-Bribery Policy and new Anti-Money Laundering Policy;
- Deletion of reference to Community Strategy;
- Inclusion of reference to the Council's Co-operative inclusive Economy Charter, reference to Statement of Community Involvement;
- Added new shared procurement Service with East Herts District Council and Hertsmere Borough Council;
- Inclusion of reference to Co-operative and Insourcing Strategy and reference to Council's Health and Safety governance structure.

In response to series of questions, the Strategic Director (CF) and Senior Performance and Resilience Officer provided the following responses:

- Statement of Community involvement was a statutory requirement and was not linked to the Community Strategy;
- The work for the Residents Survey was currently undertaken, and would be carried out by an external organisation;
- The Council House Survey and the Residents Survey would be carried out together;
- Both surveys would be promoted through social and printed media.

The Senior Performance and Resilience Officer advised Members that key performance indicators and outcomes were reported quarterly to Executive meetings and overview of the Audit Committee was also taken in to account.

It was **RESOLVED**:

- That the changes to the Council's Local Code of Corporate Governance be approved.
- That the Annual Governance Statement be recommended by the Audit Committee to the Statement of Accounts Committee.

8 **URGENT PART I BUSINESS**

None.

9 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That 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. 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 - 24 MARCH 2021**

Noted.

11 **STRATEGIC RISK REGISTER**

The Senior Performance and Resilience Officer provided an update in relation to the Strategic Risk Register.

It was **RESOLVED**:

- That the latest Strategic Risk Register be noted.
- That the development on risk management issues be noted.

12 **URGENT PART II BUSINESS**

None.

CHAIR