

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Monday, 5 February 2018

Time: 6.00 pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Maureen McKay (Chair), Rob Broom, Howard Burrell, Laurie Chester, David Cullen, John Gardner, Graham Lawrence and Brian Mitchell

Also in attendance : Councillor S Speller

Start / End Time: Start Time: 6.00pm
End Time: 7.15pm

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received on behalf of Councillor G Snell.

There were no declarations of interest.

2. MINUTES - 8 NOVEMBER 2017

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 8 November 2017 are approved as a correct record and signed by the Chair.

3. ANNUAL CERTIFICATION REPORT

Kay Storey, Ernst and Young LLP presented the Certification of Claims and Annual Returns Report 2016/17 which summarised the results of the work on the Council's 2016-17 claims.

The main considerations for the Committee related to the Housing Benefits Subsidy Claim and the fees for certification and other returns work

It was **RESOLVED** that the report be noted.

4. EXTERNAL AUDIT PLAN

The Assistant Director (Finance and Estates) advised that with the consent of the Chair, the report had been withdrawn and would be submitted to the next meeting of the Committee.

5. ANNUAL TREASURY MANAGEMENT STRATEGY (INCLUDING PRUDENTIAL CODE INDICATORS 2018/19)

The Assistant Director (Finance and Estates) presented a late report which would be recommended to Council at its meeting on 28 February 2018 seeking approval of the Treasury Management Strategy 2018/19 including its Annual Investment Strategy and the prudential indicators.

The Committee was advised that the Council had elected to professional client status to allow uninterrupted advice and opportunities for investment/debt products. The status would also enable the Council to maintain its existing relationships with financial institutions and the ability to use alternative financial instruments.

In relation to the level of cash reserves, Members were advised to note that the HRA Business Plan, General Fund MTFs and the Capital Strategy had a planned use of the resources which meant that whilst not committed in the current year, they would be utilised in future years.

In response to a question regarding the level of balances that would be remaining by 2021/22, Officers reminded the Committee that this was within the Council's approved plans and that taking historic external borrowing would increase balances, but would also be a cost to the General Fund.

It was **RESOLVED**:

1. That the Treasury Management Strategy is recommended to Executive and Council for Approval;
2. That the draft prudential indicators for 2018/19 subject to any changes proposed by CIPFA to the Treasury Management Code and Prudential Code be approved;
3. That the minimum revenue provision policy be approved and the proposed changes currently under consultation be noted.
4. That it be noted that no changes are being proposed to treasury limits contained within the Council's Treasury Management policies.

6. SHARED INTERNAL AUDIT SERVICE PROGRESS REPORT

The SIAS Audit Manager presented a report providing Members with:

- The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2017/18 Internal Audit Plan as at 20 January 2018;
- The findings for the period 20 October 2017 to 20 January 2018;
- The proposed amendments required to the approved Annual Internal Audit Plan;
- The implementation status of previously agreed high priority audit recommendations;
- An update on performance management information as at 20 January 2018.

Members were pleased to note that significant progress has been made in the delivery of both of the key performance indicators (billable days and audits to draft report stage) since the last meeting of the Committee. Following recruitment to posts, the Audit Manager advised that formal audit start dates had now been agreed with management and resources allocated accordingly.

The SIAS Audit Manager agreed to include the final report for the Repairs and Voids Service in the agenda for the next meeting of the Committee.

It was **RESOLVED** that the Internal Audit Progress Report for the period to 20 January 2018 be noted.

7. URGENT PART 1 BUSINESS

None.

8. EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED** that:

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 having 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. TECHNOLOGY SHARED SERVICE IMPROVEMENT PLAN

It was **RESOLVED** that the progress to date in relation to enhancing the Council's Cyber Security and resilience arrangements, as set out in the IT Improvement Plan is noted.

10. URGENT PART II BUSINESS

None

CHAIR