

## SUMMARY OF DECISIONS

<b>Meeting:</b>	Audit Committee	
<b>Date:</b>	Monday, 3 February 2020	
<b>Place:</b>	Shimkent Room, Daneshill House, Danestrete	
<b>Members Present:</b>	Councillors:	Maureen McKay (Chair), John Gardner (Vice-Chair), Sandra Barr, Stephen Booth, Laurie Chester, Lizzy Kelly and Graham Lawrence. Geoff Gibbs (Independent Co-opted Member).

<b>1</b>	<b>APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST</b>	
	<p>Apologies for absence were received from Councillor Dave Cullen.</p> <p>There were no declarations of interest.</p>	
<b>2</b>	<b>MINUTES - 12 NOVEMBER 2019 AND 27 NOVEMBER 2019</b>	
	<p>It was <b>RESOLVED</b> that the Minutes of the meetings of the Audit Committee held on 12 November 2019 and 27 November 2019 be approved as correct records and signed by the Chair.</p> <p>The Chair announced that a presentation on the progress of the Council's ICT Strategy would be submitted to the next meeting of the Committee to be held on 17 March 2020.</p> <p>In respect of Minute 3 of the meeting of the Committee held on 27 November 2019, it was noted that an appropriate senior officer in the Regeneration Team would be invited to a future meeting in the summer of 2020 to provide an update on the financial risks associated with the Queensway LLP.</p> <p>In terms of the 2018/19 external audit, the Assistant Director (Finance &amp; Estates) advised that Ernst &amp; Young had 5 outstanding queries. Due to priority work on the Council's budget for 2020/21, she had been unable to respond to these queries, but would do so during February 2020, thereby enabling the Statement of Accounts to be signed off.</p>	

	<p>The Assistant Director (Finance &amp; Estates) commented that Hertfordshire CFO's would be collectively writing to the Public Sector Audit Appointments (PSAA) regarding clarification about EY's move to for a 30 September deadline for 2019/20 audit of accounts from the 31 July for audit sign off of the accounts. It is the CFO's preference that if the Finance Team are required to publish their unaudited accounts by the end of May each year, it would be backward step to wait until the end of September for the accounts to signed off.</p>	
<p><b>3</b></p>	<p><b>ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2020/21</b></p>	<p><b>C. Fletcher x2933</b></p>
	<p>The Assistant Director (Finance and Estates) presented a report which would be recommended to Council at its meeting on 26 February 2020 seeking approval of the Treasury Management Strategy 2020/21 including its Annual Investment Strategy and the prudential indicators.</p> <p>In response to Members' questions, the Assistant Director (Finance &amp; Estates) replied:</p> <ul style="list-style-type: none"> <li>• The Treasury Management Strategy contained sufficient flexibility to allow borrowing to fund the Bus Station Re-location project should Growth Deal 3 funds be not forthcoming, however this would have a financial impact to be addressed elsewhere;</li> <li>• It was anticipated that the second phase of the Queensway scheme would commence in Spring 2021; and</li> <li>• There was an update on cash balances held and although projected £50.7Million at year end, the Assistant Director (Finance and Estates) pointed Members to the Final Capital Strategy report which showed in a chart that higher balances were required to be held now for the Housing Revenue Account (HRA) as HRA balances reduce close to minimum balances in the middle of the HRA Business Plan. In addition a proportion of the balances relate to provisions and third party balances.</li> </ul>	

The Assistant Director (Finance & Estates) acknowledged Members' requests for additional general audit training and a further session on treasury management. She commented that she intended to an All Member training session on Financial Risks in late March/early April 2020, to ensure that Members were fully aware of the challenging General Fund position going forward, which the Committee welcomed.

At a Member's request, the Assistant Director undertook to consider the inclusion of trends in risk management in the year end Risk Management report.

The Chair asked for an item to be included on the Committee's Work Plan for 2020/21 in respect of the allocation of Section 106 monies.

It was **RESOLVED:**

1. That the Treasury Management Strategy 2020/21 be recommended to the Executive and Council for approval.
2. That the draft prudential indicators for 2020/21 be approved.
3. That the minimum revenue provision policy be approved.
4. That an increase to the maximum level of long term (invested for longer than 12 months) investments from £10Million to £20Million when cash balances are higher than £30Million be approved.

<b>4</b>	<b>URGENT PART 1 BUSINESS</b>	
	None.	

5	<b>EXCLUSION OF PUBLIC AND PRESS</b>	
	<p>It was <b>RESOLVED</b>:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	
6	<b>PART II MINUTES - AUDIT COMMITTEE - 12 NOVEMBER 2019</b>	
	<p>It was <b>RESOLVED</b> that the Part II Minutes of the meeting of the Audit Committee held on 12 November 2019 be approved as a correct record and signed by the Chair.</p> <p>In the previous Committee Minutes there was reference to a CIPFA report on the assessment of models for the Council to provide a Corporate Landlord function. The Assistant Director (Finance &amp; Estates) advised that she would be preparing a briefing note for Members on this matter.</p>	
7	<b>URGENT PART II BUSINESS</b>	
	None.	