

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: 12 September 2018

Time: 6:00 pm

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Members: Councillors: M McKay (Chair), J Gardner (Vice Chair), H Burrell, L Chester, D Cullen, J Lloyd, G Lawrence and G Snell.
Independent Member Mr G Gibbs

In Attendance: S Martin (Shared Internal Audit Service)
K Storey (EY)

Start/End Time: Start Time: 6:00 pm
End Time: 7:15 pm

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were neither apologies for absence nor declarations of interest.

Mr G Gibbs was introduced to the Committee as the new Independent Member.

2. MINUTES – 12 JUNE 2018

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 12 June 2018 are approved as a correct record and signed by the Chair.

3. MINUTES – 26 JULY 2018

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 26 July 2018 are approved as a correct record and signed by the Chair.

4. LOCAL GOVERNMENT AUDIT BRIEFING

The Committee received the Local Government Audit Committee Briefing from the Council's external auditors EY.

In reply to a question concerning Audit Committee Toolkits the external auditor undertook to provide the Committee with details of the contents and

costs of such toolkits.

In reply to a further question the Committee was advised that there was no foreseen legislation requiring public sector employers to impose car parking charges on employees.

In response to a Member request the Assistant Director Finance and Estates undertook to circulate a note to committee members detailing the classification of the Council's 'for sale' assets under the IFRS 9 standard.

It was **RESOLVED** that the Local Government Briefing Paper for Quarter 2 prepared by EY is noted.

5. ANNUAL AUDIT LETTER

The External Auditor presented the Annual Audit Letter.

The Committee was advised that the Letter had been updated to reflect the Committee's comments made at a previous meeting and that the essential message was favourable.

A number of typographical errors were identified in the Member copy of the report. In reply to a request the Assistant Director Finance and Estates undertook to circulate an original copy of the report to committee members.

It was **RESOLVED** that the Annual Audit Letter is noted.

6. SHARED INTERNAL AUDIT SERVICE ANNUAL REPORT 2017/18

The Committee received the Annual Report from the Shared Internal Audit Service (SIAS).

A Member indicated that he would wish to see a strengths and weakness analysis (SWAT) of SIAS to confirm that the Council was receiving good value for money from the service.

In the debate that followed the Committee discussed the relative merits of SIAS compared to an internal audit function and the benefits to the Council of each approach.

It was suggested that the Committee revisit the original Terms of Reference to determine if the SIAS brief had been achieved.

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

7. SHARED INTERNAL AUDIT SERVICE (SIAS) PROGRESS REPORT

The Committee received the Internal Audit Progress Report for the period to 24 August 2018.

The Committee was advised that progress of the Audit Plan was on track and that since the publication of the report 36% of the Audit Plan days had been delivered. In addition the Data Quality project had been finalised.

The Committee was further advised that progress had been made against the recommendations in the Repairs and Voids and IT action plans.

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

8. ANNUAL TREASURY MANAGEMENT REVIEW 2017/18 INCLUDING PRUDENTIAL CODE

The Assistant Director Finance and Estates presented the report which reviewed the operation of the 2017/18 Treasury Management and Investment Strategy.

The Committee was advised that the report had been before the Executive on 5 September.

The Committee was further advised that while interest rates remained low the level of external borrowing had been minimised by the use of internal borrowing while cash balances allowed.

It was **RESOLVED** that the 2017/18 Annual Treasury Management Review is recommended to Council for approval.

9. URGENT PART I BUSINESS

The Assistant Director Finance and Estates advised the Committee that following a report to the Executive on 5 September it would have a monitoring role on the effectiveness of Community Infrastructure Levy and Section 106 monies.

10. EXCLUSION OF PRESS AND PUBLIC

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 item of business on the grounds that it 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.

PART II

11. PART II MINUTES – AUDIT COMMITTEE – 12 JUNE 2018

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 12 June 2018 are approved as a correct record and signed by the Chair.

12. STRATEGIC RISK REGISTER

The Committee received the Council's latest Strategic Risk Register.

Members asked a number of detailed questions about the report which were answered by the Officer.

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

12. URGENT PART II BUSINESS

None.

CHAIR