

## STEVENAGE BOROUGH COUNCIL

### AUDIT COMMITTEE MINUTES

**Date: 6 September 2017**

**Time: 6:00 pm**

**Place: Shimkent Room, Daneshill House, Danestrete, Stevenage**

**Present:** Councillors: M McKay (Chair), J Gardner (Vice-Chair),  
R Broom, H Burrell, L Chester, D Cullen and G Snell.  
Independent Member: B Mitchell

**In Attendance:** P Hornsby – Shared Anti-Fraud Service  
K Storey – EY (Ernst and Young)  
C Wood – Shared Internal Audit Service

**Start/End Time:** Start Time: 6:00 pm  
End Time: 7:55 pm

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

An apology for absence was received on behalf of Councillor G Lawrence.

There were no declarations of interest.

The Committee was advised that the agenda had not been published 5 clear working days prior to the meeting due to technical issues however the Chair of the Committee had agreed to the meeting going ahead due to the number of items scheduled for discussion.

The Chair indicated that Item 6, the Shared Anti-Fraud Service report, would be dealt with after Item 2.

#### **2. MINUTES – AUDIT COMMITTEE – 15 JUNE 2017**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

It was **RESOLVED** that the Minutes of the meeting of the Committee held on 15 June 2017 are approved as a correct record and signed by the Chair.

### **3. ANNUAL AUDIT AND CERTIFICATION FEES 2017/2018**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

The Committee received the Annual Audit and Certification Fees letter from the Council's external auditors EY.

The Committee was advised that the audit fee was charged against a scale set by the regulators.

It was noted that the planned fee for the Certification of Housing Benefit Subsidy for 2016/17 of £12857 could be amended dependent on the amount of pre-work undertaken by the Joint Revenues and Benefits Service and the number of additional checks that needed to be carried out as a result of any audit findings.

The Committee was further advised that EY had been appointed as the Council's external auditors for a five year period from 2018/2019.

The Chair informed the Committee that she, and the Vice-Chair, had attended a training session facilitated by EY and encouraged other committee members to do likewise should the opportunity be made available.

It was **RESOLVED** that the Audit Fee letter is noted.

### **4. SHARED INTERNAL AUDIT SERVICE ANNUAL REPORT**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

The Internal Audit Manager presented the Shared Internal Audit Service (SIAS) annual report and advised the Committee of progress with the SIAS restructure.

In reply to a question the Committee was advised that the focus of the restructure had been to provide a more responsive service in light of changing customer demand.

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

### **5. SHARED INTERNAL AUDIT SERVICE PROGRESS REPORT**

Due to technical issues this report was not published five clear working

days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

The Internal Audit Manager presented the SIAS report for the period to 18 August 2017.

The Committee was advised that following the publication of the agenda the final report for the overtime audit had been published. The report gave a moderate level of assurance and contained four medium level recommendations.

In response to a Member request the Internal Audit Manager undertook to provide details of those audits to be carried forward.

It was **RESOLVED** that the Internal Audit Progress Report for the period to 18 August 2017 is noted.

## **6. SHARED ANTI-FRAUD SERVICE REPORT – SEPTEMBER 2017**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

This item was dealt with after item 2.

The Committee received a report detailing the key activities of the Shared Anti-Fraud Service (SAFS).

Members asked whether the cash recovered through anti-fraud activities represented value for money given the Council's contribution of £140k to fund the anti-fraud service. In reply the Committee was advised that part of the benefit of the service could not be measured solely in cash terms. In addition to recovered monies the Council had recovered a number of HRA properties and in addition consider the deterrent value of the service. The Assistant Director (Finance and Estates) undertook to feedback to the Committee the number of council homes that had been recovered as a result of anti-fraud activities.

In reply to a further question the Committee was advised that due to data protection legislation it was impossible to respond to enquiries made by the public concerning potential or on-going fraud cases in terms of the action taken from the information supplied. However in the event of a successful prosecution a press release would be issued.

It was **RESOLVED**:

1. That the progress of the Shared Anti-Fraud Service against the Anti-Fraud Action Plan 2017/2018 is noted

2. That the action taken by the Council to prevent and deter fraud and protect public funds is noted.

## **7. ANNUAL TREASURY MANAGEMENT REVIEW OF 2016/2017 INCLUDING PRUDENTIAL CODE**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

The Assistant Director (Finance and Estates) presented the Annual Treasury Review of 2016/2017.

It was noted that historically low interest rates had resulted in difficulty for the Council to achieve good returns on its investments, however Council's cash balances were higher on average than assumed in the original budget which offset the lower than expected interest returns.

In reply to a question the Committee was advised that the Council had risk assessed its level of cash balances.

It was confirmed that no external loans had been taken out in 2016/17 to fund existing borrowing requirements from previous years.

It was **RESOLVED** that the 2016/2017 Annual Treasury Management Review be recommended to Council for approval.

Councillor H Burrell left the meeting at the conclusion of this item.

## **8. URGENT PART I BUSINESS**

None.

## **9. 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 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 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**

### **10. STRATEGIC RISK REGISTER QUARTER 1 2017/2018**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

The Committee received a report on the latest Strategic Risk Register for Stevenage Borough Council and were advised of the latest developments on risk management issues.

It was **RESOLVED**:

1. That the latest Strategic Risk Register is noted.
2. That the developments on risk management issues are noted.

### **11. URGENT PART II BUSINESS**

#### **Final Internal Audit Report – Digital Information Management 2016/2017**

Due to technical issues this report was not published five clear working days prior to the meeting. However the Chair of the Committee determined that it be considered on this occasion as this matter was scheduled to be considered on this date.

In response to comments made by the Committee the Interim Senior IT Manager undertook to bring a follow-up report to the next meeting of the Committee.

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

## **CHAIR**