STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE
MINUTES

Date: Tuesday, 26 March 2024
Time: 6.00pm
Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present:	Councillors: Maureen McKay (Chair), Carolina Veres (Vice-Chair), Stephen Booth, Lloyd Briscoe, Rob Broom, Nazmin Chowdhury, Alex Farquharson, Graham Lawrence CC and Tom Wren. Mr Syed Uddin – Independent Co-opted Non-voting Member.

Start / End Time:	Start Time:	6.00pm
	End Time:	6.58pm

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

Apologies for absence had been received from Baroness Taylor, and there were no declarations of interest.

2   **MINUTES - 6 FEBRUARY 2024 AND 28 FEBRUARY 2024**

It was **RESOLVED** that the Minutes of the meetings of the Audit Committee held on 6 February 2024 and 28 February 2024 be approved as correct records and signed by the Chair, subject to the name of Syed Uddin (Independent Member) being added to the attendance list for the 6 February 2024 meeting.

3   **2021/22 AND 2022/23 VALUE FOR MONEY AUDITS - INTERIM REPORT**

The Committee considered an interim report on the 2021/22 and 2022/23 Value for Money audits prepared by Ernst & Young.

The report gave interim commentary on the Value for Money (VFM) arrangements for 2021/22 and 2022/23 for Stevenage Borough Council. The commentary explained the work that had been undertaken during the year and highlighted any significant weaknesses identified along with recommendations for improvement. The commentary covered findings for audit years 2021/22 and 2022/23.

Karen Cunanan (Ernst & Young) explained that the reporting criteria included the identification of any significant weaknesses in respect of financial sustainability, governance, and improving the economy, efficiency and effectiveness of the Council. No significant weaknesses had been identified for 2021/22 and 2022/23 against any of these criteria. Details were set out in the report.

Councillors queried whether or not a decision, when it was reached, was based on the information provided by the Council or was there a comparison with similar information provided by other local authorities. It was confirmed that decisions were

based on information provided by the Council to the external auditor.

It was **RESOLVED** that Ernst & Young's Interim Report on the 2021/22 and 2022/23 Value for Money audits be noted.

4   **LOCAL AUDIT DELAYS - UPDATE MARCH 2024**

The Assistant Director (Finance) updated Members with current proposals from the Department for Levelling Up, Housing and Communities (DLUHC) to address the backlog of local government audits in England and how these proposals may impact the Council.

The Assistant Director (Finance) brought Members up to date on local delays as a significant number of councils were behind schedule. Consultation had taken place to try reset the delays for the audits and to clear the backlog.

- It was explained proposals from 30 September 2024 any outstanding audits would stop, and a disclaimer would be given to councils by external auditors for the years of accounts that had not been completed.

- Councils had until 31 May to publish draft statements of accounts, following which there was a whole year for them to be audited.

- By 2027/28 all statement of accounts would be completed by the end of November

- It was explained once that was completed, the longer term plan would be how to present the accounts and when.

- CIPFA was consulting on the 2023/24 and 2024/25 accounts with a view to making them easier to present.

The Assistant Director (Finance) reported that Azets had commenced interim work on the 2023/24 SBC accounts, and would be returning to carry out further work during the summer, with a view to reporting the audited Statement of Accounts to the Audit Committee/Statement of Accounts Committee in late November 2024.

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

5   **SHARED ANTI-FRAUD SERVICE (SAFS) PROPOSED ANTI-FRAUD PLAN 2024/25**

The Committee considered the Shared Anti-Fraud Service's proposed Anti-Fraud Plan for 2024/25. The purpose of the report was to provide Members with details of the Council's Anti-Fraud Plan for 2024/25.

The Shared Anti-Fraud Manager went into detail about the plan of work that would be conducted, how it would be funded, and he provided details of work activity across the authority and SAFS. He explained that it was a similar Plan to the current year and followed CIPFA and National Audit Office best practice. The Plan was set out at Appendix A to the report and the Key Performance indicators for 2024/25

were set out in Appendix B.

It was **RESOLVED** that the Shared Anti-Fraud Service (SAFS) Anti-Fraud Plan for 2024/25, as attached at Appendix A to the report, be approved.

6   **PROGRESS ON SAFS ANTI-FRAUD PLAN 2023/24**

The Committee considered progress on the SAFS Anti-Fraud Plan 2023/24. Recent reports were provided to officers and were being used by SAFS to ensure that the Council was aware of its fraud risks and ways to mitigate or manage these effectively wherever possible.

- The Shared Anti-Fraud Manager explained that E-Learning mandatory training was delivered to staff and over 90 officers and Members had been trained.

- There was an increase in allegations of fraud, particularly around housing and council tax. This was a common issue with authorities owning their own housing stock, and would be monitored closely

- It was mentioned there was a typographical error within the report and that there were only 29 (not 305) live cases for Stevenage Borough Council.

- The number of cases of tenancy fraud currently being investigated had been reduced to 6.

- The KPI target of the recovery of 12 properties unlawfully used by tenants had not been reached, although 6 properties had been recovered. It was assured to Members they these were being dealt with as swiftly as possible.

- The number of SAFS days of counter fraud activity stood at 297 against a target of 450, although accurate reporting had been affected by problems with a new Case Management System, as previously reported to the Committee. This issue had been resolved and it was hoped that more accurate time recording would be implemented for 2024/25.

Members queried what the criteria was for the allocation of SAFS days for the Council. It was explained that the number of days for each partner authority was in proportion to their respective level of financial contribution to SAFS
In reply to a question, the SAFS Manager confirmed that the Team was fully resourced.

In response to a further question, the SAFS Manager commented that tenancy fraud cases could often be protracted, with some taking up to 18 months to resolve. It was **RESOLVED** that the progress made by the Shared Anti-Fraud Service (SAFS) on delivering the 2023/24 Anti-Fraud Plan be noted.

7   **SHARED INTERNAL AUDIT SERVICE (SIAS) INTERNAL AUDIT PLAN 2024/25**

The Committee considered the proposed Shared Internal Audit Service (SIAS) Internal Audit Plan for 2024/25.

- The SIAS Client Audit Manager stated that the report set out the approach, such as consultation with key stakeholders which had resulted in a draft work plan.
- Paragraph 2.4 in the report provided a summary of the areas that would be covered in 2024/25.
- Appendix A to the report showed the list of audits proposed.

A Member queried based on the documentation that there was no mention of councillors in drawing up the Plan. It was explained that this would not be customary practice.

In response to an enquiry about billable audit days, the SIAS Client Audit Manager commented that bills were sent to each partner authority on a quarterly basis.

It was **RESOLVED** that the SBC Shared Internal Audit Service (SIAS) Internal Audit Plan for 2024/25, as set out in the report, be approved.

8   **CORPORATE GOVERNANCE ARRANGEMENTS**

The assessment of Corporate Governance arrangements was considered by the Committee. The purpose of the report was to inform Members of the Audit Committee of the activity carried out in 2023/24 to strengthen the Council's corporate governance arrangements and advise of the corporate governance activity identified for 2024;25, for inclusion in the Council's 2023/24 Annual Governance Statement.

Councillor Booth stated it would be useful to raise Members' awareness of corporate governance by way of further training. Officers noted this request.

It was **RESOLVED** that the progress on corporate governance enhancement activity during 2023/24; and the corporate governance activity identified for 2024/25, for inclusion in the Council's 2023/24 Annual Governance Statement, be noted.

9   **URGENT PART I BUSINESS**

There was no urgent Part I business.

10   **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED** that:

1. That under Section 100A 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 involve 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 maintained the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

11   **STRATEGIC RISK REGISTER**

The Corporate Performance and Improvement Officer presented a report providing the Quarter 3 2023/24 (October to December 2023) update in respect of the Strategic Risk Register.

The Corporate Performance and Improvement Officer, assisted by the Assistant Director (Finance), responded to a number of questions raised by Members on the report.

It was **RESOLVED** that the latest Strategic Risk Register, as set out in the report, be noted.

12   **URGENT PART II BUSINESS**

There was no urgent Part II business.

The Chair announced that this would be her final meeting of the Audit Committee. She thanked Members, officers, and external representatives for their support during her time as Chair. She gave her best wishes for the future to Councillor Graham Lawrence, who was not standing for re-election, and Ian Gourlay (Senior Democratic Services Officer), who was soon to be retiring.

CHAIR