

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: 8 November 2017

Time: 6:00 pm

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

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

In Attendance: K Storey – EY (Ernst and Young)
C Wood – Shared Internal Audit Service

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

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received on behalf of Councillors R Broom and D Cullen.

There were no declarations of interest.

2. MINUTES – AUDIT COMMITTEE – 6 SEPTEMBER 2017

It was **RESOLVED** that the Minutes of the meeting of the Committee held on 6 September 2017 are approved as a correct record and signed by the Chair subject to the correction of a typographical error at Item 6.

The second line of the fourth paragraph should read 'the Council's contribution of £100k to fund the shared anti-fraud service' and not 'the Council's contribution of £140k to fund the shared anti-fraud service' as stated.

3. MINUTES – AUDIT COMMITTEE – 21 SEPTEMBER 2017

It was **RESOLVED** that the Minutes of the meeting of the Committee held on 21 September 2017 are approved as a correct record and signed by the Chair.

4. ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2017

The Committee received the Annual Audit Letter from the Council's external auditors EY.

The Committee was advised that the auditor's fee for 2016/2017 had yet to

be agreed due to the extra work carried out regarding property valuations. This Committee would be advised of the fee once agreed with the Council.

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

5. 2017/18 MID YEAR TREASURY MANAGEMENT REVIEW

The Committee considered a report which updated Members on Treasury Management activities in 2017/2018 and reviewed the effectiveness of the 2017/2018 Treasury Management and Investment Strategy.

The Committee was advised of a typographical error in the report at paragraph 4.3.1 and an updated Investment Balances graph was circulated to Members at the meeting.

The Committee was further advised that the report had been published prior to the recent increase of 0.25% in interest rates. As many of the Council's investments were at fixed rates it was forecast that the net impact to interest income would be an increase in the region of £25k per annum.

In reply to a question concerning overnight deposits the Committee was advised that the facility to invest overnight remained but the Council tended to use 30 day accounts.

In reply to a further question regarding provisions for the town centre regeneration project the Committee was advised that any such provision would need to be included in the overall capital strategy, notwithstanding the fact that the capital strategy could be amended provided the due process was followed.

The Committee did not wish to forward any comments on the report to Council for consideration.

It was **RESOLVED**:

1. That Council is recommended to approve the 2017/2018 Treasury Management Mid-Year review
2. That Council is recommended to approve the latest list of approved Countries for investments.

6. SHARED INTERNAL AUDIT SERVICE – PROGRESS REPORT

The Committee received a report which provided Members with an update of the progress made by the Shared Internal Audit Service in delivering the Council's 2017/2018 Internal Audit Plan.

The Internal Audit Manager advised the Committee that since the report had been written the number of Audit Plan days delivered had increased to

43% and that a total of 25% of audits had been completed.

In reply to a question concerning the Commercialisation Agenda the Committee was advised that recruitment against the Commercial Manager post had been put on hold pending the appointment of the Assistant Director Direct Services and was currently under review.

In reply to a further question the Committee was advised that the driver for the cancellation of the carry forward research project on the Medium Term Financial Strategy had been the desire to determine the value added of the 'lean review' into the Repairs and Voids Service by carrying out additional testing requested by the Council's management.

It was **RESOLVED** that the Internal Audit Progress Report for the period to 20 October 2017 is noted.

7. URGENT PART I BUSINESS

None.

8. 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

9. PART II MINUTES – AUDIT COMMITTEE – 6 SEPTEMBER

It was **RESOLVED** that the Part II Minutes of the meeting of the Committee held on 6 September 2017 are approved as a correct record and signed by the Chair.

10. DIGITAL INFORMATION MANAGEMENT

The Committee received a report which updated Members on progress toward addressing the recommendations resulting from the Digital Information Management Audit.

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

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

11. STRATEGIC RISK REGISTER QUARTER 2 2017/2018

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.

12. URGENT PART II BUSINESS

None

CHAIR