

**AUDIT COMMITTEE
MINUTES**

Date: Monday 19 September 2011

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

- Present:** Councillors: L Chester (Chair), P Bibby CC, D Cullen, S Walker and M Yarnold-Forrester.
Independent: B Mitchell
- In Attendance:** Phil Westerman (Grant Thornton), Gursh Bains (Shared Internal Audit Services)
- Started:** 6.00 p.m.
Ended: 6.45 p.m.

1. APPOINTMENT OF PERSON TO PRESIDE

It was **RESOLVED** that Councillor Laurie Chester be appointed to preside over the meeting which was held jointly with the Statement of Accounts Committee.

2. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for absence was received from Councillor J Gardner.

There were no declarations of interest.

3. EXTERNAL AUDITOR'S ANNUAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2010/2011.

The report had not been circulated to Members five clear days before the meeting, nor had it been available for public inspection for this time. The Chair determined however that, given the reason for urgency detailed in the report, it be considered on this occasion.

The Audit Committee and the Statement of Accounts Committee received a presentation from the Head of Finance on the External Auditor's Annual Report and the audited 2010/2011 Financial Report including the Statement of Accounts.

The Committee was advised of the following achievements:

- International Reporting Standards (IFRS) had been implemented,
- the Auditors had found no material errors in the accounts, and
- there were no actions required as a result of the audit.

However the Committee was further advised that there was one unprocessed adjustment which had arisen as part of the audit. The holiday pay account had been treated as a provision, in line with the wording of the Code of Practice, whereas Grant Thornton had suggested that the holiday pay account should be treated as a creditor.

The Head of Finance undertook to raise the issue with CIPFA and to review the accounting treatment for the 2011/2012 accounts if appropriate.

The Committee indicated that they were in agreement with this approach.

Members asked a number of questions relating to the detail of the Statement of Accounts, to which the officer responded to the Committee's satisfaction.

In reply to a specific question it was confirmed that the figures in the final Officers Remuneration table (paragraph 31, page 91 of the Stevenage Borough Council Financial Report 2010/2011) included redundancy and severance costs. It was requested that this clarification be added as a note prior to the submission of the accounts. The Head of Finance undertook to make the change as requested.

The Committee was advised that an allowance of 5.1% had been made for salary increases to cover job changers, increments and contributions to the pension scheme.

In reply to a final question it was confirmed that it was planned to deliver the Single Status Agreement in April 2012.

It was requested that the Committee's thanks to Scott Crudginton, Clare Fletcher, Anita Thomas and the rest of the accountancy team be recorded.

Note – *At this point in the meeting the Statement of Accounts Committee **RESOLVED** to adjourn until the rise of the Audit Committee and left the room.*

The Audit Committee meeting continued to consider item 3.

It was **RESOLVED:**

That the External Auditor's Annual Report and the audited 2010/2011 Financial Report, including the Statement of Accounts, be recommended to the Statement of Accounts Committee, subject to the following note being added to the Officers Remuneration table found at paragraph 31, page 91, of the Stevenage Borough Council Financial Report 2010/2011:

- 'Payments to Officers include redundancy and severance costs'.

4. URGENT PART 1 BUSINESS

None.

5. EXCLUSION OF THE PRESS AND PUBLIC

It was **RESOLVED:**

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 involve the likely disclosure of exempt information as described in paragraphs 1-7 of Part I of Schedule 12A of the Act, as amended by SI 2006 No.88.

2. That having considered the reasons for the following report being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

PART II

6. URGENT PART II BUSINESS

None.

Chair