

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE

**(MEETING JOINTLY IN PART WITH THE STATEMENT OF ACCOUNTS
COMMITTEE)**

MINUTES

Date: Wednesday 24 September 2014

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors: L Chester (Chair), P Bibby, D Cullen,
A McGuinness and M McKay.

**Independent
Member:** B Mitchell

Also Present: P Westerman and A Ayre (Grant Thornton)

Started: 6.00 p.m.

Ended: 7.17 p.m.

1. APPOINTMENT OF PERSON TO PRESIDE

It was **RESOLVED** that Councillor Mrs J Lloyd be appointed to preside over the part of the meeting that was held jointly with the Statement of Accounts Committee.

2. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors J Gardner and J Hollywell.

There were no declarations of interest.

**3. STATEMENT OF ACCOUNTS 2013/2014 AND EXTERNAL
AUDITOR'S AUDIT FINDINGS REPORT FOR THOSE CHARGED
WITH GOVERNANCE**

The Audit Committee and the Statement of Accounts Committee meeting jointly received a presentation from the Assistant Director Finance on the Statement of Accounts 2013/14 and a report on the External Auditor's Audit Findings from the Council's Auditors, Grant Thornton.

The Committees were shown how the Council's accounts were constructed, with key points highlighted and identified and major variances against forecasts explained.

The Committees were advised that the Council's usable reserves had increased by £9 million during the year, and working capital had risen due mainly to an increase in 'Right to Buy' receipts over and above those forecast (due to a change in Central Government policy).

The Committee was further advised that although the Council's balance sheet appeared healthy it should be noted that repayments in respect of some loans taken to fund self-financing were due for repayment in 2016.

Members asked a number of detailed questions relating to Municipal Mutual Insurance payments; the assumptions behind collection levels of Council Tax and the revaluation of the housing which were answered by the Officer.

The Council's Auditor's advised the Committees that it would issue an 'unqualified' opinion for the Council's financial statements and Value for Money conclusion. It was clarified that 'unqualified' in this case meant that it was a positive outcome.

In reply to a question concerning the expected rate of return on long term assets in the pension scheme the Committees were advised that the rates as shown in the report had been supplied by the scheme's actuaries and the Assistant Director Finance undertook to liaise with the actuaries to determine the reasoning for those rates and to circulate the reply to Members.

In response to a Member comment the Strategic Director Resources undertook to review the headings of the report pages for 2014/2015.

The Assistant Director Finance undertook to correct a typographical error identified in the table of figures on page 18 of the Statement of Accounts. It was noted that the figure of 19,564 in the 'Year on Year Variance' column against the entry Local Authority Housing (HRA) should have been in brackets.

In response to a question concerning the Government's proposal to bring forward the deadline dates for the submission and approval of accounts from 2017/2018 the Committees were advised that the proposal would prove a difficult challenge to both the Council and the External Auditors. In reply to a request from the Chair the Strategic Director Resources undertook to put forward a report explaining the problems caused by this proposal at an appropriate time.

The Chair gave thanks to the External Auditors, Grant Thornton, and to Scott Crudgington, Clare Fletcher, Anita Thomas and the accountancy team for their work in producing a robust set of accounts.

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

The Audit Committee wished to record no comments regarding the report or the recommendations contained therein.

It was **RESOLVED** that the Annual Report to those charged with Governance for 2013/14, the Council's Letter of Representation and the Financial Report including the Statement of Accounts 2013/14 be recommended to the Statement of Accounts Committee.

4. URGENT PART 1 BUSINESS.

None.

5. EXCLUSION OF THE PRESS AND PUBLIC

Not required.

PART II

6. URGENT PART II BUSINESS

None.

Chair