

**STEVENAGE BOROUGH COUNCIL****AUDIT COMMITTEE  
MINUTES****Date: Monday 1 February 2016****Time: 6.00 p.m.****Place: Shimkent Room, Daneshill House, Danestrete, Stevenage**

**Present:** Councillors: J Gardner (Vice-Chair in the Chair),  
R Broom, L Chester, G Lawrence, J Lloyd CC and  
A McGuinness.

**Also Present:** B Mitchell (Independent Member) and N Harris (Ernst  
and Young).

**Started:** 6.00 p.m.

**Ended:** 6.45 p.m.

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

Apologies for absence were received from Councillors D Cullen and M McKay.

There were no declarations of interest.

**2. MINUTES – AUDIT COMMITTEE – 11 NOVEMBER 2015**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 11 November 2015 are approved as a correct record and signed by the Chair.

**3. EXTERNAL AUDIT UPDATE**

The Committee received an update from the Council's External Auditors Ernst and Young.

The Committee was advised that the handover from the previous auditors (Grant Thornton) had been completed and discussed with the Council's Officers. It was anticipated that the first draft of the audit plan would be completed by the end of February. The plan would be risk based, proportionate and focussed on the Council's financial management arrangements.

With regard to the announcement from the Department of Communities and Local Government concerning the local appointment of auditors from 2018/2019 onwards, the Committee was advised that guidance notes and a list of approved accountants would be issued nearer the time. In response to a request from the Chair, the External Auditors undertook to provide these details as they became available.

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

#### **4. PRUDENTIAL CODE INDICATORS AND TREASURY MANAGEMENT STRATEGY 2016/2017**

The Assistant Director (Finance) presented the report and advised the Committee of the Council's current debt provision arrangements and cash balances.

The Committee was advised that due to the levels of the Council's cash balances a temporary increase in counterparty limits from £7 million to £8 million had been recommended to allow time for a review with the Council's Treasury Management advisors and to benchmark with other local authorities before the mid-year review in November.

In reply to a question concerning the requirement to repay the self-financing debt within 30 years, the Committee was advised that the business plan had back-loaded the majority of the debt to the final 15 years of its life, however there was the potential to refinance beyond 30 years should the need arise.

In response to comments regarding the revision of the HRA Business Plan to take account of the 1% rent reduction and other central government initiatives, the Assistant Director (Finance) undertook to present the revised plan to the Committee at a future date.

In reply to a question concerning the Council's ability to raise rents after the four year rent reduction to 'recover' lost income, the Committee was advised that the possibility to do so appeared to be limited although some loss mitigation had already been implemented through the review of service charges and other measures.

The Committee was further advised that the Council continued to lobby central government, through the Local Government Association, on the impact of the imposed rent reduction and other housing initiatives such as 'right to buy' and 'pay to stay'.

The Committee did not wish for any comments to be passed to either Executive or Council.

It was **RESOLVED** that the revised Treasury Management Strategy and the Prudential Code Indicators, as detailed within the report, be recommended to the Executive and Council.

#### **5. URGENT PART 1 BUSINESS.**

None.

## **6. 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 item of business on the grounds that it involved 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 item being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

## **PART II**

### **7. PART II MINUTES – AUDIT COMMITTEE – WEDNESDAY 11 NOVEMBER 2015**

It was **RESOLVED** that the Part II Minutes of the Audit Committee held on 11 November 2015 are approved as a correct record and signed by the Chair.

### **8. URGENT PART II BUSINESS**

None.

## **Chair**