

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE
MINUTES**

Date: Thursday, 26 July 2018

Time: 6.00pm

Place: Shimkent Room - Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Maureen McKay (Chair) (Chair), John Gardner (Vice-Chair) (Vice Chair), Howard Burrell, Laurie Chester, David Cullen, John Lloyd and Graham Snell

Start / End Start Time: 6.00pm

Time: End Time: 7.15pm

1 APPOINTMENT OF PERSON TO PRESIDE

It was **RESOLVED** that Councillor Maureen McKay 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 Councillor G Lawrence and Independent Member G Gibbs.

There were no declarations of interest.

3 2017/18 STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT REPORT

The Audit Committee and the Statement of Accounts Committee meeting jointly received a presentation from the Accountancy Services Manager on the Statement of Accounts 2017/18.

The Committees were advised of a typographical error on page 176 of the agenda pack. The figures in the left hand column of table HRA 4 should read 4921, 591 and 5512 and not 4921139, 590986 and 5512125 as shown.

A copy of appendix 2 to the report, the Letter of Representation was then circulated to Members.

In reply to a question concerning Right To Buy 'one for one receipts' the Committees were advised that the amount held by the Council had accrued as the result of a higher than expected number of sales. It was confirmed that the sum had been earmarked for housing projects.

The issue of the disparity in the valuation of the swimming pool was raised and Members were advised of the process behind each of the valuations. The External Auditor confirmed that the difference in the valuations was not a material

consideration for the accounts and did not affect the overall audit opinion of the accounts.

A Member requested that the Officers Remuneration table on page 160 of the agenda be amended in future years to make it clearer that the table included redundancy payments and didn't just relate to pay. Concerns were expressed that the information as currently presented could be misread as overstating the number of higher paid employees.

The Committees then considered the report from the Council's External Auditors EY.

The Committees were advised that all outstanding audit tasks had been completed and that EY had issued an unqualified audit opinion for both the Council's accounts and the Value for Money statement.

In reply to a question it was confirmed that an unqualified opinion was a positive result for the Council's accounts.

In reply to a further question the Committees were advised that it was not usual practice to forward a copy of the External Auditor's report to Central Government.

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

With regard to the valuation of the swimming pool Members expressed a wish for a standard approach to be taken in future years and requested that this view be fed back to the Statement of Accounts Committee. Members were advised that the Council's valuer's methodology may differ from that of the External Auditors.

In reply to a question concerning the monitoring of savings and what the Auditors reviewed for the value for money statement, the Assistant Director (Finance & Estates) advised the Committee that the External Auditors received copies of the Quarterly Monitoring Reports that were presented to the Executive which reports on the progress of savings options approved.

In reply to a further question concerning the assessment of the risks with regard to Town Centre Regeneration the External Auditor advised the Committee that the professional advice taken by the Council had been noted by the auditors.

The Chair requested that the Committee's thanks be recorded in the minutes for both the External Auditor and the SBC Accounts Team.

It was **RESOLVED**:

1. That the differing valuations of the swimming pool be noted and the comment regarding a standard approach be reported to the Statement of Accounts Committee.

2. That the Annual Report to those charged with Governance for 2017/18, the Council's Letter of Representation, the Financial Report including the Statement of Accounts 2017/18 and the Annual Governance Statement be recommended to the Statement of Accounts Committee for approval.

4 **URGENT PART 1 BUSINESS**

None.

5 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

6 **URGENT PART II BUSINESS**

None.

CHAIR