

**STEVENAGE BOROUGH COUNCIL****AUDIT COMMITTEE  
MINUTES****Date: Wednesday 11 November 2015****Time: 6.00 p.m.****Place: Shimkent Room, Daneshill House, Danestrete, Stevenage**

**Present:** Councillors: M McKay (Chair), J Gardner (Vice-Chair), R Broom, L Chester, D Cullen, J Lloyd CC and G Lawrence.

**Also Present:** B Mitchell (Independent Member), I Murray (Grant Thornton), T Barnett and C Wood (Shared Internal Audit Service) and N Harris and K Storey (Ernst and Young).

**Started:** 6.00 p.m.

**Ended:** 6.50 p.m.

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

An apology for absence was received from Councillor A McGuinness.

There were no declarations of interest.

C Wood was introduced to the meeting as the new Internal Audit Manager for the Council.

N Harris and K Storey were introduced to the meeting as the incoming external auditors from Ernst and Young.

**2. MINUTES – AUDIT COMMITTEE – 1 SEPTEMBER 2015**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 1 September 2015 are approved as a correct record and signed by the Chair.

**3. MINUTES – AUDIT COMMITTEE – 23 SEPTEMBER 2015**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 23 September 2015 are approved as a correct record and signed by the Chair.

**4. ANNUAL AUDIT LETTER**

The Committee received the Annual Audit Letter from the Council's External Auditors Grant Thornton.

The Committee was advised that the outstanding work in relation to the certification of the Council's 2014/2015 housing benefit grant claim was on track to meet the deadline of 30 November 2015.

In reply to a question it was confirmed that the evidence to support the unqualified conclusions given in the letter had been presented to the Audit Committee at its meeting on 23 September.

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

## **5. INTERNAL AUDIT PROGRESS REPORT**

The Committee considered the Internal Audit Progress Report as at 30 October 2015.

The Committee was advised that the BMO Materials report had been issued in September 2015.

The Committee was further advised that no high priority recommendations had been issued so far this year.

In reply to a question concerning the Customer Satisfaction Performance Indicator the Committee was advised that any feedback questionnaire that was returned with a less than satisfactory rating was investigated to determine the cause of the dissatisfaction.

The Committee was further advised that satisfaction scores were reported quarterly to the SIAS board and that there were a high level of questionnaires returned.

It was **RESOLVED** that the Internal Audit Progress Report for the period 30 October 2015 be noted.

## **6. 2015/16 MID-YEAR TREASURY MANAGEMENT REVIEW**

The Assistant Director (Finance) presented the 2015/16 Mid-Year Treasury Review.

The Committee was advised that the Executive had been of the view that the Council should consider all possible options to avoid having to return Right to Buy receipts to the Government and that this would be explored further at the forthcoming Housing Revenue Account Business Plan Member/officer work stream sessions.

The Committee was further advised that since the report had been drafted, the Sovereign Rating of Saudi Arabia had fallen to A+ and therefore no longer met the Council's minimum Sovereign Rating criteria of AA-. It was confirmed that the Council had never invested funds with Saudi Arabia.

The Government's recent pronouncement on the proposed 1% rent reduction and potential changes to Right to Buy entitlements were discussed by the Committee. The Assistant Director (Finance) advised the Committee that these issues would also be considered at the forthcoming HRA Business Plan meeting.

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

It was **RESOLVED:**

1. That Council be recommended to approve the 2015/2016 Mid-Year Treasury Management Review and the prudential and treasury indicators in the report.
2. That the review of treasury limits (as detailed in paragraph 4.7.10 and Appendix C to the report) is noted.
3. That Council be recommended to approve the latest approved Countries for Investments list (as detailed in paragraph 4.7.12 and Appendix D to the report).

#### **7. URGENT PART 1 BUSINESS.**

None.

#### **8. 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**

#### **9. STRATEGIC RISK REGISTER QUARTER 2 – 2015/2016**

The Committee received the Strategic Risk Register for Quarter 2.

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

The Committee was advised that SMB and the Executive would meet in the near future and a number of risks identified within the register would be discussed.

It was **RESOLVED:**

1. That the Strategic Risk Register Quarter 1 2015/16 (Appendices A1 – A5) be noted
2. That developments on risk management issues as outlined in paragraph 4.2 of the report be noted.

**10. URGENT PART II BUSINESS**

None.

**Chair**