

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Monday 4 February 2013

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors: C Latif (Chair), D Cullen, J Gardner,
M McKay, R Parker CC and M Yarnold-Forrester
Independent Member: B Mitchell.

Also Present: Resources Portfolio Holder: Councillor Mrs J Lloyd
Terry Blackman (Grant Thornton)
Sally-Anne Pearcey (Shared Internal Audit Services)

Started: 6.00 p.m.

Ended: 6.35 p.m.

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

There were neither apologies for absence nor declarations of interest.

2. **MINUTES – AUDIT COMMITTEE – 4 DECEMBER 2012**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 4 December 2012 be approved as a correct record and signed by the Chair.

3. **CERTIFICATION WORK REPORT 2011/2012**

Terry Blackman was introduced as the new Audit Manager for Stevenage.

The Committee had before it the Certification Work Report 2011/2012, as received from the Council's Auditors, Grant Thornton.

The Committee was advised that the report highlighted no significant issues relating to the systems and controls in place to administer and record grant receipts and payments and that supporting papers provided by the Council were of good standard. There had been one claim submitted after the required submission deadline however this had arisen as a result of a query raised with the CLG. From 2012/13 this claim is no longer completed.

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

4. **PRUDENTIAL CODE INDICATORS AND TREASURY MANAGEMENT STRATEGY.**

The Assistant Director (Finance) presented the revised Treasury Management Strategy, including its Annual Investment Strategy and the Prudential Indicators.

The Committee was advised that at the time of writing the report the Capital Strategy figures had not been finalised and therefore there would be detail changes in the report going before Executive and Council. However these changes would not affect the integrity of the report and recommendations before the Committee.

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

With regard to a specific question concerning the use of triple A rated, longer term, investments (to maximise interest returns) the Committee was advised that the Council was using investments to fund the General Fund capital programme in preference to borrowing. This meant that investment balances would reduce over time and as such most investments were held for less than 364 days. Additionally, given the state of financial markets and the fees incurred, the potential return from such investments would only yield a marginal improvement from a shorter term investment.

It was also confirmed that the Council was unable to invest in the Equities market.

In response to a request the Assistant Director (Finance) undertook to circulate a briefing note on investments to members of the Committee.

In response to a further request the Assistant Director (Finance) undertook to determine the possibility of providing a training session on Treasury Management Strategy for members of the Committee.

It was **RESOLVED:**

1. That the Executive be recommended to adopt the 2013/14 Treasury Management Strategy as detailed in Appendix A.
2. That the Executive be recommended to adopt the Prudential Code Indicators as detailed in Appendix A, attachment six.
3. That the Executive be recommended to adopt the modification to the use of money market funds, as detailed in paragraph 4.2.3 and Appendix A, attachment three for specified investments.

4. That the Executive be recommended to adopt the modification to the limit on investments of greater than 364 days, as detailed in paragraph 4.2.3, and Appendix A attachment six, and attachment three.
5. That the Executive be recommended to adopt the modification to the variable investment limit, as detailed in paragraph 4.2.3 and Appendix A, attachment six.
6. That the following comments be reported to the Executive:
 - a. The Committee expressed its desire that all Members be trained in the financial implications of the ring fencing of the Housing Revenue Account (HRA) and the impacts of self financing on the Council's cash flow and cash balances.
 - b. That the Council consider a public information cascade with regard to self financing.

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 items 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 report 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 – 4 DECEMBER 2012

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 4 December 2012 be approved as a correct record and signed by the Chair.

8. URGENT PART II BUSINESS

None.

Chair