

## STEVENAGE BOROUGH COUNCIL

## AUDIT COMMITTEE

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

## MINUTES

Date: Wednesday 25 September 2013

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

**Present:** Councillors: L Chester (Chair), J Gardner (Vice Chair), J Hollywell, C Latif and R Parker CC.  
Independent: B Mitchell

**In Attendance:** Phil Westerman and Terry Blackman (Grant Thornton)

**Started:** 6.00 p.m.

**Ended:** 7.25 p.m.

### 1. APPOINTMENT OF PERSON TO PRESIDE

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

### 2. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors P Bibby and D Cullen.

There were no declarations of interest.

### 3. STATEMENT OF ACCOUNTS 2012/13 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 Accountancy Services Manager on the Statement of Accounts 2013 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 £6.3 million during the year, whilst the unusable reserve had dropped by £10.5 million, due largely to a revaluation of the Pensions Reserve.

Members asked a number of detailed questions relating to the New Homes Bonus; variations in bank balances year on year; pension fund valuations; insurance; the valuation of Heritage Assets and depreciation which were answered by the Officer.

In reply to a question concerning the Housing Revenue Account Income Variance the Strategic Director (Resources) undertook to reply directly to Committee Members.

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. It was also confirmed that no material errors had been found in the Council's accounts.

The Council's Auditors further advised that issues raised in relation to the controls of IT systems had been responded to by the Council.

The Chairman expressed thanks on behalf of both Committees to Anita Thomas and her team for their work in preparing the accounts.

**Note** – At 19.15 hrs. the Statement of Accounts Committee **RESOLVED** to adjourn until the rise of the Audit Committee and left the room.

*The Audit Committee meeting continued to consider item 3 and the rest of the agenda.*

It was commented that the accounts were thorough, transparent and that the accompanying notes provided a useful and comprehensive guide to what was a complicated document.

In reply to a question the Strategic Director (Resources) undertook to advise the Committee in respect of the actions taken to address the concerns raised by the External Auditors about the Council's IT controls.

In reply to a further question the Strategic Director (Resources) undertook to advise the Committee how the costs of Shared Services had been shown in the accounts.

In reply to a comment regarding the use of consistent terminology within the accounts the Accountancy Services Manager undertook to

address the issue in future years and to provide more information on the costs included in the Corporate and Democratic Core heading.

It was **RESOLVED**:

1. That the External Auditors Audit Findings report, the Council's Letter of Representation and the Statement of Accounts 2012/13 be recommended to the Statement of Accounts Committee.
2. That the new accounting policies in the Statement of Accounts (Appendix D to the report) be noted.

**4. URGENT PART 1 BUSINESS**

None.

**5. EXCLUSION OF THE PRESS AND PUBLIC**

Not required.

**PART II**

**6. URGENT PART II BUSINESS**

None.

**Chair**