

**STEVENAGE BOROUGH COUNCIL****AUDIT COMMITTEE  
MINUTES****Date: Monday 18 November 2013****Time: 6.00 p.m.****Place: Shimkent Room, Daneshill House, Danestrete, Stevenage**

**Present:** Councillors: L Chester (Chair), J Gardner (Vice Chair),  
P Bibby, D Cullen, J Hollywell, C Latif and R Parker CC.

**Also Present:** Terry Barnett (Shared Internal Audit Services (SIAS))

**Started:** 6.00 p.m.

**Ended:** 7.00 p.m.

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

Apologies for absence were received from B Mitchell (Independent Member), P Westerman and T Blackman (Grant Thornton).

There were no declarations of interest.

**2. MINUTES – AUDIT COMMITTEE – 9 SEPTEMBER 2013**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 9 September 2013 be approved as a correct record and signed by the Chair.

**3. MINUTES – AUDIT COMMITTEE – 25 SEPTEMBER 2013**

It was **RESOLVED** that the Minutes of the Audit Committee (held jointly in part with the Statement of Accounts Committee) held on 25 September 2013 be approved as a correct record and signed by the Chair.

**4. ANNUAL AUDIT LETTER**

The Committee had before it the Annual Audit Letter from the Council's Auditors, Grant Thornton.

The Committee was advised that it was a positive report and that it had been well received by the Council.

In reply to a question it was confirmed that the Council's audit fee was calculated to a set formula which was determined by the Council's 'risk

factor'. It was further confirmed that the risk factor for the Council was in the lowest category, thus minimising the fee payable by the Council.

It was **RESOLVED** that the Annual Audit Letter, as received from the Council's external auditors, Grant Thornton, be noted.

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

The Audit Manager (Shared Internal Audit Service) presented a report to advise the Committee of progress against the 2013/14 Internal Audit Plan and to seek the Committee's to proposed amendments required to the approved Internal Audit Plan.

The Committee was advised that the comparative fraud data that had been requested at the September meeting would be forwarded to Members within the next two weeks.

The Committee indicated that it wished for the 'Planned Days' target to be shown as described at option 2 in paragraph 2.8 of the report, showing the percentage of actual billable days against planned chargeable days completed, measured against a work based profile, based on a judgement of reasonable progress taken jointly by the Shared Internal Audit Service and the Council.

In reply the Audit Manager stated that the Audit Plan for 2014/2015 would show the expected work profile for the year and progress would be reported against that profile rather than against the total number of work days scheduled for the year.

Members requested that the commentary to the report include any reasons for slippage and a view on whether the programme remained achievable.

It was **RESOLVED** that the Internal Audit Progress Report as at 4 November 2013 be noted.

## **6. ANNUAL TREASURY MANAGEMENT STATEMENT AND ANNUAL INVESTMENT STRATEGY – MID-YEAR REVIEW REPORT 2013/14.**

The Committee considered a report that had been presented to the Executive on 4 November and which would go to Council on 4 December.

The report reviewed the operation of the 2013/2014 Treasury Management and Investment Strategy for the first six months of the year in accordance with the CIPFA Code of Practice on Treasury Management.

The Committee was advised that there had been no breaches of the Council's prudential indicators for investments in the first six months of the year 2013/2014.

The Committee was further advised that at 0.56% the interest rates achieved by the Investment Team exceeded the 7 day LIBOR benchmark rate of 0.49% for the same period.

In reply to a question concerning borrowing in the current year the Committee was advised that the prudential borrowing requirement had not been taken up as internal investment balances had been utilised instead.

In reply to a further question concerning the impact on the Council of rising interest rates the Committee was advised that the underlying trend of the Council's finances showed a requirement to borrow, therefore the main risk for the Council would be not borrowing when interest rates have started to increase. It was considered that there was no risk to the Council's investment income through interest rate increases as the level of investments has diminished over recent years.

It was **RESOLVED** that Council be recommended to approve the 2013/14 Mid-year Treasury Management Strategy and Annual Investment Review.

**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 items of business on the grounds that they 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 items 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. PART II MINUTES – AUDIT COMMITTEE – 9 SEPTEMBER 2013**

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 9 September 2013 be approved as a correct record and signed by the Chair.

**10. STRATEGIC RISK REGISTER – QUARTER 2 2013/2014**

The Assistant Director (Finance) presented the Quarter 2 Strategic Risk Register.

It was **RESOLVED**:

1. That the Strategic Risk register Quarter 2 2013/2014 be noted.
2. That developments on risk management issues be noted.

**11. URGENT PART II BUSINESS**

None.

**Chair**