

AUDIT COMMITTEE

TUESDAY, 4 FEBRUARY 2014

PRESENT:- Councillors Steve Weisinger (Chair), Steve Allsopp, Roderick Bluh, Michael Bray, John Haines and Des Moffatt

An apology for absence was received from Councillor Neil Heavens.

41. Declarations of Interest

The Chair reminded members of the need to declare any known interests in any matters to be considered at the meeting.

42. Public Question Time

There were no public questions.

43. Minutes

Resolved - That the minutes of the meeting held on 5th November 2013 be confirmed and signed.

44. Treasury Strategy Statement 2014/15

The Committee received a report on the Council's Treasury Management Strategy for 2014/15, including Prudential Indicators up to 2015/16, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement. Paul Smith, the Council's Head of Finance, Housing, Treasury and Growth, presented the report, expanding on the following key elements of the strategy:

- the current treasury position;
- the treasury indicators which will limit the treasury risk and activities of the Council;
- the prospect for interest rates;
- the borrowing strategy;
- the policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- the creditworthiness policy; and
- the policy on use of external service providers.

Following his introduction of the strategy, Mr Smith responded to members' questions and observations on the following issues:

- the Council's banking arrangements and the implications of the withdrawal of its current provider from the local authority market
- the net borrowing position of the General Fund
- investment returns expectations.

Resolved – (1) That the report be noted and that the Treasury Management

Strategy, Minimum Revenue Provision Policy and Prudential Indicators be recommended for approval by Full Council at its meeting on 24th February 2014.

(2) That the position with regard to the Council's bankers, the Co-Operative Bank, as detailed at Section 4 of the report, be noted.

45. Internal Audit report - Treasury Management

The Committee received a report of the Head of Internal Audit on the key findings of the Annual Internal Audit of the Council's Treasury Management process.

Resolved – That the report be noted.

46. Internal Audit reports identifying 'significant' risk or 'of concern': Highways Asset Management

The Committee received a report on the latest position in relation to the implementation of Internal Audit recommendations arising from the audit review "Highways Asset Management". It was noted that the overall risk assessment to the Council following the initial audit was considered "of concern".

Mr Gwillam Lloyd, the Council's Head of Highways and Transport, was in attendance to provide a current position statement in relation to the implementation of audit recommendations and to respond to members' questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – (1) That the report, and the management response to the audit review recommendations, be noted.

(2) That a report be submitted the Committee in September 2014, in advance of the commencement of the 2015/16 budget setting process, on the effectiveness of the reintegration of SCS Streetsmart Services Highway Maintenance Team into Highway and Transport Services as part of the SCS re-integration process.

47. External Audit - Update for Swindon Borough Council

Chris Hackett (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at 27 January 2013, in respect of the delivery of their audit responsibilities. The report also included a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report be noted.

48. External Audit - Certification Report 2012/13

Chris Hackett (Grant Thornton) presented a report regarding the certification of claims and returns submitted by the Council. The report also provided a summary of the External Auditors' assessment of the Council's management arrangements in respect of the certification process and highlighted significant matters in relation to each of four claims and returns that were certified for the Financial Year 2012/13.

Resolved – That the report be noted.

49. Head of Internal Audit Update

The Committee received a report of the Head of Internal Audit summarising the

main issues arising from the Internal Audit reports finalised since the last Audit Committee meeting in November 2013 and progress made against the Annual Internal Audit Plan.

Resolved – (1) That the report be noted.

(2) That the Housing Capital Programme internal audit report, categorised as having an overall risk evaluation of “Of Concern”, be submitted to the next meeting of the Committee for consideration.