



## Public Document Pack

**Jeff Hughes**  
*Head of Democratic and Legal  
Support Services*

**MEETING** : AUDIT COMMITTEE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : WEDNESDAY 20 NOVEMBER 2013  
**TIME** : 7.00 PM

**PLEASE NOTE TIME AND VENUE**

### **MEMBERS OF THE COMMITTEE**

Councillor J Ranger (Chairman)  
Councillors W Mortimer (Vice-Chairman), M Pope, R Sharma, N Wilson,  
J Wing and J Wyllie

### **Substitutes**

Conservative Group: Councillors D Andrews

*(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)*

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## DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
  - must not participate in any discussion of the matter at the meeting;
  - must not participate in any vote taken on the matter at the meeting;
  - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
  - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
  - must leave the room while any discussion or voting takes place.
  
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
  
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

## AGENDA

1. Apologies

To receive apologies for absence.

2. Minutes (Pages 7 - 16)

To confirm the Minutes of the meeting held on 18 September 2013

3. Declarations of Interest

To receive any Member's Declarations of Interest and Party Whip arrangements.

4. Chairman's Announcements

5. Update on Shared Internal Audit Service Report: Section 106 Audit Recommendations (Pages 17 - 38)

6. External Audit Report 2012/13 Annual Audit Letter (Pages 39 - 52)

7. Council's response to 2012/13 Annual Audit Letter (Pages 53 - 58)

8. External Audit report - Planned Audit Fee for 2013/14 (Pages 59 - 62)

9. Update of Implementation of Annual Governance Statement Action Plan (Pages 63 - 72)

10. Risk Management Monitoring Report July to 30 September 2013 (Pages 73 - 82)

11. Work Programme (Pages 83 - 88)

12. Urgent Business

To consider such other business as, in the opinion of the Chairman of the

meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

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MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE HELD IN THE  
COUNCIL CHAMBER, WALLFIELDS,  
HERTFORD ON WEDNESDAY 18  
SEPTEMBER 2013, AT 7.00 PM

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PRESENT: Councillor J Ranger (Chairman)  
Councillors D Andrews, M Pope, R Sharma,  
N Wilson and J Wing.

OFFICERS IN ATTENDANCE:

Mandy Barton	- Accountancy Manager
Lorraine Blackburn	- Democratic Services Officer
Simon Chancellor	- Head of Finance and Performance
Adele Taylor	- Director of Finance and Support Services

ALSO IN ATTENDANCE:

Terry Barnett	- Shared Internal Audit Service
Alan Cooper	- Shared Internal Audit Service
Paul Grady	- Grant Thornton
Nick Taylor	- Grant Thornton

237 MEMBER TRAINING - SHARED INTERNAL AUDIT SERVICE: FIELDWORK PROCESSES

The Shared Internal Audit Service (SIAS) provided Members with a presentation on the internal audit process addressing such issues as the annual audit plan, work allocation and assignment processes, fieldwork and follow up work.

In response to a query from the Chairman, Alan Cooper of SIAS explained that examples of good practice within authorities were shared wherever possible. SIAS explained that expertise from external organisations was also used from time to time, for example from PricewaterhouseCoopers.

In response to a query from Councillor J Wing regarding ensuring written processes were properly applied, SIAS explained how processes were mapped out and applied to ensure compliance with procedures.

The Chairman referred to the fact that some policies were reviewed every three years. The Director of Finance and Support Services confirmed that there were moves towards a three year Audit Plan which would provide the Council with some flexibility in deciding timings of reviews.

The Chairman, on behalf of Members, thanked Officers from SIAS for their informative presentation.

RESOLVED – that the presentation be received.

238 APOLOGIES

An apology for absence was received from Councillor J Wyllie. It was noted that Councillor D Andrews was substituting for Councillor J Wyllie.

239 MINUTES

The Chairman referred to Minute 113 (Risk Management Monitoring Report February to April 2013) and advised that the issue of the inclusion of the District Plan on the Risk



Register would be considered elsewhere on the agenda.

RESOLVED – that the Minutes of the meeting held on 10 July 2013 be confirmed as a correct record and signed by the Chairman.

## 240 EXTERNAL AUDIT REPORT - AUDIT FINDINGS

The External Auditor submitted a report on the Audit Findings for the year ended 31 March 2013. He referred to the fact that there were a few minor outstanding adjustments to make which had been agreed by the Council and that Grant Thornton would be providing an unqualified opinion on the financial statements as there were no issues which caused the external auditors any cause for concern. In terms of the way forward, the External Auditor explained that a small number of recommendations had been made in relation to IT and that these were set out within the Action Plan attached to the report now submitted.

The External Auditor stated that there had been five missing disclosures (four relating to previous Members) and that they anticipated a 100% return next year. The Director of Finance and Support Services explained that every effort had been made to secure the return of the missing disclosure forms (one of which related to a former Officer).

Councillor M Pope referred to the underspends and windfalls which the Council had achieved. The Director of Finance and Support Services provided a summary of some of the underlying causes of these and also action being taken to consider any financial implications for future years that relate to underspends in 2012/13.

In response to a query from Councillor J Wing regarding the Audit Fee and its effect on the audit process, the External Auditor explained that the fee had been reduced by 40% and of the risks involved of removing items from the audit process.

Councillor R Sharma congratulated the External Auditors on the rigor of the audit process. The External Auditor explained that it worked to international accounting standards to ensure

robustness.

The Chairman, on behalf of Members, thanked the External Auditors for their positive feedback on Audit Findings.

The Committee received the report.

RESOLVED – that the report be received.

241 TREASURY MANAGEMENT STRATEGY STATEMENT -  
2012/13 OUTTURN AND 2013/14 MID YEAR REVIEW

The Executive Member for Finance submitted a report which reviewed the Council's 2012/13 Treasury Management Strategy and Prudential Code arrangements including the current position to 31 July 2013, the detail of which was set out in the report now submitted and within the Essential Reference Papers.

The Head of Finance and Performance summarised the content of the report drawing Members' attention to capital spending, levels of indebtedness, prudential and treasury indicators, the Council's borrowing, investment activity and the low rates of interest offered and the challenges this placed on the Council.

It was noted that Officers were currently exploring with SECTOR alternatives to the traditional investment vehicles and of the balance which needed to be achieved between investment opportunities, liquidity and security.

In response to a query from Councillor M Pope regarding investing in Corporate Bonds, the Head of Finance and Performance stated that this was an area which could be considered and that the Council was looking for innovative opportunities which still met the criteria of liquidity and security.

The Chairman referred to the positive impact a small improvement could make to the Council's investment returns, adding that the Council could explore adding to larger investment pots such as Hertfordshire County Council's.

The Committee approved the report and noted the current year position at 31 July 2013. Members further agreed that the Council should investigate the possible investment in Corporate Bonds.

RESOLVED – that (A) the 2012/13 Treasury Management and Prudential Indicator Outturn be approved;

(B) the current year position to 31 July 2013 be noted; and

(C) Officers review the possibility of investing in Corporate Bonds.

## 242 STATEMENT OF ACCOUNTS 2012-2013

The Executive Member for Finance submitted a report setting out the background to the requirement for Members to consider and approve the Council's 2012/13 Statement of Accounts and detailed changes to the reporting requirements from 2011/12, which was set out in the report now submitted and Essential Reference Papers.

The Head of Finance and Performance reminded Members that they had had an opportunity of reviewing the statement of accounts in July 2013 and had made a number of helpful comments regarding the presentation of the accounts which had subsequently been taken on board. The accounts before Members were now being submitted for approval following the positive comments from the External Auditor.

Councillor M Pope drew attention to the "gain/loss" narrative and queried whether the line needed to be included. The Head of Finance and Performance indicated that the future presentation would be reviewed. In response to a further query regarding provisions and contingent liabilities, the Head of Finance and Performance explained that the context of provisions that had been made in the 2012/13 accounts.

In response to a query from Councillor R Sharma regarding

investment bank ratings, the Head of Finance and Performance summarised the approach to the treasury management strategy and the institutions used.

The Committee approved the Statement of Accounts for the financial year 2012/13 and that these be signed by the Chairman at the conclusion of the meeting. Members also agreed that the Letter of Representation be signed by the Chairman and Director of Finance and Support Services.

RESOLVED – that (A) the Statement of Accounts for the financial year 2012/13 be approved and that these be signed by the Chairman of Audit Committee at the conclusion of the meeting; and

(B) the Letter of Representation be signed by the Chairman and Director of Finance and Support Services.

#### 243 ANNUAL GOVERNANCE STATEMENT 2012/13

The Leader of the Council submitted a report setting out the 2012/13 Annual Governance Statement and the 2013/14 Annual Governance Statement Action Plan, the detail of which was set out in the report now submitted and within the Essential Reference Papers.

The Manager of Corporate Risk drew Members' attention to the amendments which had been made and shown as "red" within Essential Reference Paper "B". He explained the background and the significance of the changes which had been made. Seven significant governance issues had been identified in the Annual Governance Statement Action Plan which would continue to be monitored by Audit Committee, the detail of which was set out in Essential Reference Paper "C" of the report now submitted.

The Committee approved the Annual Governance Statement and Annual Governance Statement Action Plan.

RESOLVED – that the Annual Governance Statement 2012/13 and Annual Governance Statement Action

Plan 2013/14 be approved.

244 SHARED INTERNAL AUDIT SERVICE ANNUAL BOARD  
REPORT 2012 – 2013

The Shared Internal Audit Service (SIAS) submitted a report which reviewed the first full year of operation. The report highlighted key areas of success in the year, the performance of the partnership and looked ahead in terms of future developments to provide core assurances in the provision of resilience, efficiency, access to expertise, high standards of customer service and career opportunities for staff.

The issue of the number of “full assurance” audits was considered. The Director of Finance and Support Services explained that given our risk based approach to considering audit topics, there was a possible disadvantages of receiving a “full assurance” from an audit viewpoint, in that this could show that we are not considering the correct topics.

The Committee welcomed the report.

RESOLVED – that the report be received.

245 SHARED INTERNAL AUDIT SERVICE - PROGRESS  
REPORT

The Shared Internal Audit Service (SIAS) submitted a report setting out the progress made in delivering the Council’s Audit Plan for 2013/14 and the proposed amendments to the approved 2013/14 Audit Plan. SIAS also provided the status on previously agreed high priority audit recommendations and an update on performance management information as at 30 August 2013, the detail of which was set out in the report now submitted. The recommendation relating to Section 106 Agreements had been completed and the ICT recommendations considered elsewhere on the Agenda.

The Committee approved the report.

RESOLVED – that (A) the Internal Audit Progress report be noted;

(B) the amendments to the 2013/14 Audit Plan as at 30 August 2013 as submitted, be approved; and

(C) the removal of implemented high priority recommendations be approved.

246 OUTSTANDING SIAS HIGH PRIORITY ICT RECOMMENDATIONS

The Director of Finance and Support Services submitted a report providing a detailed update on the outstanding ICT recommendations set out in the SIAS report elsewhere on the agenda, the detail of which was set out in the report now submitted.

The Director of Finance and Support Services explained that the Head of Shared ICT, Business Improvement and Print and Graphic Design Services had consolidated previous recommendations which had been outstanding for some time, the detail of which was set out in Essential Reference Paper "B" of the report now submitted and of the proposals to implement the recommendations following the recent decision on Shared Services.

In response to a query from Councillor M Pope regarding the timescales, the Director of Finance and Support Services felt that these were achievable adding that a lot of work had already been done and that this would be monitored through the new Shared Service Partnership Board.

The Committee noted the progress made.

RESOLVED – that the progress made in implementing the outstanding high priority recommendations set out in the report now submitted, be noted.

247 RISK MANAGEMENT STRATEGY

The Leader of the Council submitted a report on best practice in relation to the Risk Management Strategy, the detail of which was set out in the report now submitted. The Manager

of Corporate Risk provided a summary of what changes had been made, most notably moving from a 6x6 to a 4x4 matrix.

The Committee supported the Strategy and noted that the Executive would be considering it at its meeting on 1 October 2013.

RESOLVED – that the Risk Management Strategy be supported.

248 RISK MANAGEMENT MONITORING REPORT APRIL TO 30 JUNE 2013

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The Leader of the Council submitted a report setting out the action taken to mitigate and control strategic risk during the period April to June 2013, the detail of which was set out in the report now submitted and supporting Essential Reference Paper “B”.

The Manager of Corporate Risk outlined the nine strategic risks, comprising eight risks from 2012/13 together with a new risk around welfare reforms.

The Committee approved the report.

RESOLVED – that the action taken to mitigate and control strategic risks as submitted, be approved.

249 WORK PROGRAMME

The Director of Finance and Support Services submitted a report detailing the proposed work programme for Audit Committee. The Chairman asked that if there were any Member training issues which could be identified, to let him know.

RESOLVED - that the work programme be approved.

The meeting closed at 8.30 pm

Chairman .....
Date .....



## EAST HERTS COUNCIL

### COMMITTEE – AUDIT COMMITTEE – 20 NOVEMBER 2013

#### REPORT BY HEAD OF PLANNING AND BUILDING CONTROL

#### UPDATE IN RELATION TO THE SHARED INTERNAL AUDIT SERVICE (SIAS) SECTION 106 AUDIT RECOMMENDATIONS

WARD(S) AFFECTED: All

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### **Purpose/Summary of Report**

- To provide an update for the committee in relation to the implementation of the recommendations set out in the SIAS audit of s106 procedures carried out in 2012.

<b><u>RECOMMENDATIONS That:</u></b>	
<b>(A)</b>	<b>The report now submitted, which sets out an update in relation to the SIAS Audit of Section 106 procedures undertaken in 2012 be received.</b>

### 1.0 Background

1.1 Members of the Committee will recall that an audit of the Section 106 legal agreement processes was undertaken by SIAS in 2012. The subsequent report gave with a moderate assurance for the service area and 13 recommendations were made, of which 7 were categorised as a high priority.

1.2 The SIAS report was submitted to the November 2012 meeting of this Committee. At that stage, some initial action had already been undertaken to implement the recommendations set out in the SIAS report. Officers were asked to report back in a years time on the further progress made with regard to the implementation of the recommendations. This report provides that update.

## 2.0 Report

- 2.1 Subsequent to the initial report, SIAS have prepared their own follow up report on the matter. This was tabled at the 18 September 2013 meeting of the Committee. The SIAS update is attached to this report as **Essential Reference Paper “B”** of the report now submitted. In addition, the Council’s Risk Manager has also compiled a follow up summary based on the SIAS recommendations. That is attached as **Essential Reference Paper “C”**. Members will note that, in both cases the recommendations are confirmed as implemented and the matters are now closed.
- 2.2 The following represents further commentary on the recommendations:
- 2.3 The first recommendation related to the requirement to monitor spend on agreed works. This has been implemented through the provision of a quarterly update to Corporate Management Team (CMT) by the Head of Communications, Engagement and Culture.
- 2.4 The second recommendation covered a similar area but related to more historical agreements, where contributions had been held for 5 years or longer. Again, these are being identified through the quarterly update reports to CMT referred to above.
- 2.5 The third recommendation set out that the ‘clawback date’ (the date beyond which the developer could seek to recover financial contributions provided) should be identified more clearly on records used by Officers. That is now taking place.
- 2.6 The next recommendation related again to the matter of older agreements and the continued purpose of the financial contribution. As above, this is being addressed through the quarterly update for CMT.
- 2.7 It was recommended that Officer meetings should be held prior to the drawing together of legal agreements to identify the areas to be covered in them. Monthly meetings are now convened to deal with this matter.
- 2.8 The next area covered by recommendations was to require the completion of a procedure note to identify roles and responsibilities and to highlight the receipt of new financial

contributions. A procedure note has now been produced. In addition, part of the liaison meeting referred to 2.7 above, is set aside to consider new financial contributions that have been received.

- 2.9 A recommendation was set out in relation to the Council's monitoring fee and requiring that it is explicitly identified in the recommendations made to the Development Management (DM) Committee. This area is now checked in relation to each report coming forward to the Committee. The recommendation also covered a minor operational matter requiring separate identification of the monitoring clause in working records. That matter is now also addressed.
- 2.10 The next area of recommendation again referred to an operational matter, seeking that the working records are kept 'up to date' by the deletion of records where the financial contributions have either been spent, or are held by another organisation. The records are now retained in this way.
- 2.11 Recommendations also dealt with the need to ensure that spending officers are explicitly identified and recorded on the working records. Officers are identified through the quarterly CMT report and are recorded in the DM area working records when identified.
- 2.12 Lastly, it was recommended that an explicit accountancy code was identified for the receipt of monitoring fees. A unique code has now been established.
- 2.13 In many of the instances above, reference has been made to the quarterly update report provided to CMT. This takes the form of a spread sheet where financial contributions received are set out. Recommendations are put forward with regard to the appropriate use of the contributions and an officer to lead on the matter. Progress on each case can then be monitored at subsequent quarterly updates.

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers - \_\_SIAS report October 2012

Contact Member: Malcolm Alexander – Executive Member for  
Community safety and Environment  
[malcolm.alexander@eastherts.gov.uk](mailto:malcolm.alexander@eastherts.gov.uk)

Contact Officer: Kevin Steptoe – Head of Planning and Building  
Control  
Contact Tel No: 01992 531407  
[kevin.steptoe@eastherts.gov.uk](mailto:kevin.steptoe@eastherts.gov.uk)

## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives	<p><b>People</b> This priority focuses on enhancing the quality of life, health and wellbeing, particularly for those who are vulnerable, and delivering strong services</p> <p><b>Place</b> This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p><b>Prosperity</b> This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities and delivering cost effective services.</p>
Consultation:	<i>None in the formulation of this follow up report</i>
Legal:	<i>The report relates to legal agreement matters – however no specific implications with regard to this follow up report.</i>
Financial:	<i>Legal agreements normally seek to secure financial contributions and other obligations. Monitoring of the discharge of agreements ensures that all appropriate obligations are met.</i>
Human Resource:	<i>No additional HR implications.</i>
Risk Management:	<i>Monitoring of the discharge of agreements ensures that all appropriate obligations are met and risks of not doing so are avoided.</i>

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## Follow-up Report

# EHDC Section 106

**September 2013**

**Issued to:** Simon Drinkwater – Director of  
Neighbourhood Services  
Kevin Steptoe – Head of Planning &  
Building Control  
Alison Young – Development Manager

**Copied to:** Adele Taylor - Director of Finance &  
Support Services  
Chris Gibson – Manager of Corporate  
Risk  
Audit Committee Members  
Michael Tindale - Finance Portfolio  
Holder

**Reference:** E1115/13/001

**Report Status:** Final

**Original Report  
Date:** October 2012

**Original  
Assurance:** Moderate

**Status of  
Recommendations:** Implemented

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## 1. EXECUTIVE SUMMARY

### Background and Purpose

1. An audit of Section 106 contributions in East Herts District Council was undertaken during 2012/13 as part of the agreed internal audit plan for that year. The final report was issued in October 2012. The report concluded that overall a moderate assurance rating was applicable and 13 recommendations were made and agreed, 7 of which were categorised as high priority.

### Scope of Work

2. Provision was made in the 2013/14 audit plan to follow up implementation of the recommendations made in original report issued in October 2012.

### Follow Up Findings and Opinion

3. As part of this follow up, we have obtained management's assertions over the status of agreed actions and where appropriate sought evidence to support management's view.

Appendix A details the results of the work undertaken and shows that all recommendations have now been implemented.

No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
1.	<p data-bbox="168 304 533 341"><b>Unspent Contributions</b></p> <p data-bbox="168 379 831 1193"> <b>1.1 Recommendation:</b>            The Service Department Responsible Officer should ensure that contributions are used in accordance with the original agreement.            Progress on spend should be monitored quarterly to ensure that agreed work has been undertaken. Monitoring should also ensure that eligible works have not been carried out using other Service Department budgets.   <b>Agreed Management Action:</b>            Continue with monitoring reports to ensure that available contributions are spent in accordance with the requirements of the legal agreement and to report to CMT quarterly.   <b>Responsible Officer:</b>            Head of Communications, Engagement and Cultural Services         </p> <p data-bbox="168 1270 831 1417"> <b>1.2 Recommendation:</b>            The Development Control Manager should identify all contributions which are more than 5 years old and where the money is         </p>	High	Process already introduced	Already in place at the time of the audit.	Implemented
		High	First report to CMT by end of December	<b>Development Manager</b> First report submitted to CMT on 12 <sup>th</sup> March 2013 in conjunction with recommendation No.3.	Implemented

No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
	<p>unlikely to be spent for the original purpose. Meetings should then be held with the developer to discuss possible changes to the original agreement</p> <p><b>Agreed Management Action:</b> Review older agreements where the original contribution is unlikely to be spent and consider whether any appropriate alternatives can be negotiated given the tests in Circular 05/05. Then to report to CMT accordingly.</p> <p><b>Responsible Officer:</b> Development Manager</p>		<p>2012.</p> <p>Then report to CMT annually on progress.</p>	<p>This states that further research is being carried out in relation to those older agreements and CMT will be updated at the next few meetings</p>	
2.	<p><b>Clawback of unspent contributions</b></p> <p><b>Recommendation:</b> The S106 Monitoring Officer should record the clawback date on the shared spreadsheet and inform both the Service Department and Finance of the date by which the contributions should be spent.</p> <p><b>Agreed Management Action:</b> Include clawback date on spreadsheet.</p> <p><b>Responsible Officer:</b> Section106 Monitoring Officer</p>	High	With immediate effect	<p><b>Development Manager</b> Clawback date has been added to the spreadsheet and where the trigger dates have been exceeded is recorded in red. All older agreements are being reviewed to add clawback dates where applicable.</p>	Implemented

No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
3.	<p><b>Responsible Officers</b></p> <p><b>Recommendation:</b> For the older contracts (those over 5 years old), the Heads of Service should either: a) review the legal agreement to try to identify the purpose of the contribution; or b) Arrange a meeting with the Development Control Manager to agree the spending of the contributions to meet the documented spending criteria.</p> <p><b>Agreed Management Action:</b> Undertake as part of reporting in relation to point 1.2 above.</p> <p><b>Responsible Officer:</b> Development Manager</p>	High	End of December 2012	<p><b>Development Manager</b> First report submitted to CMT on 12<sup>th</sup> March 2013 in conjunction with recommendation No 1.2. This states that the purpose of the contributions is discussed to agree the spending criteria.</p> <p>Quarterly reports enable CMT to explore spending options and seek further information and input from service heads as necessary to inform their decisions.</p>	Implemented
4.	<p><b>Liaison Prior to Contract</b></p> <p><b>Recommendation:</b> Development Control Section and Service Department Officers should meet and clearly document what is required on each site and the specific purpose of each contribution.</p>	High	December 2012	<p><b>Head of Planning and Building Control</b> First meeting took place on 12 November 2012. Meetings are held every 3-4 weeks depending on Council Committee dates.</p>	Implemented

No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
	<p><b>Agreed Management Action:</b> Reinstate regular Section 106 liaison meetings.</p> <p><b>Responsible Officer:</b> Head of Planning and Building Control</p>				
5.	<p><b>Process Notes</b></p> <p><b>Recommendation:</b> Process notes should be produced for the S106 process within Planning.</p> <p><b>Agreed Management Action:</b> Produce notes.</p> <p><b>Responsible Officers:</b> Development Manager and Section 106 Monitoring Officer</p>	Medium	March 2013	<p><b>Development Manager</b> Accommodated within the note produced as part of recommendation 6.1 and likewise anticipated completion end April 2013 – completed.</p>	Implemented
6. 6.1	<p><b>Roles and Responsibilities</b></p> <p><b>Recommendation:</b> Roles and responsibilities of all departments involved in the S106 process should be documented to ensure that all parts of the process are completed for each contribution received.</p>	High	March 2013	<p>On target – completed note should be prepared by end of March 2013. Each liaison meeting agenda will include a standing item to consider income which has been received since the previous meeting.</p>	Implemented

Page No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
	<p><b>Agreed Management Action:</b> Produce procedure note.</p> <p><b>Responsible Officers:</b> Head of Planning and Building Control and Head of Communications, Engagement and Cultural Services</p>			<p><b>Development Manager</b> Now anticipated to be completed by end of April 2013.</p> <p><b>Head of Planning and Building Control</b> Final draft procedure note has been prepared and circulated for comment. Anticipated now that it should be finalised by end April 2013</p> <p><b>Head of Communications, Engagement and Cultural Services</b> Confirmed checked 'note' and considers this now complete.</p>	
6.2	<p><b>Recommendation:</b> The S106 Monitoring Officer should continue to send out receipt of contribution emails to the responsible officers.</p> <p><b>Agreed Management Action:</b> Continue sending 'receipt of contribution' e- mails to responsible officers.</p> <p><b>Responsible Officer:</b> Section 106 Monitoring Officer</p>	High	Process already introduced	Emails continue to be sent out on receipt of contributions	Implemented

No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
7. 7.1	<p><b>Monitoring Fees</b></p> <p><b>Recommendation:</b> The Development Control Officer who produces the document taken to the Development Control meeting for approval must ensure that a monitoring fee is always included on that document, currently £300 per clause to ensure that it is included in the agreement prepared by legal.</p> <p>The S106 Monitoring Officer should check that all contracts include a monitoring fee. Even if a monetary figure has been omitted from the agreement, there is a clause which does state that the developer will pay a monitoring fee and therefore the local authority are entitled to this fee.</p> <p><b>Agreed Management Action:</b> Ensure that monitoring fee requirements are included in the DC report and checked.</p> <p><b>Responsible Officers:</b> Development Control Manager and Section 106 Monitoring Officer</p>	Medium	December 2012	<p><b>Development Manager</b> Officers made aware of the need to include the monitoring fee in the committee report and Development Manager and/or Head of Planning &amp; Building Control to check reports accordingly prior to each committee meeting.</p> <p><b>Development Manager</b> Completed and on-going requirement of the Monitoring role</p>	<p>Implemented</p> <p>Implemented</p>

Page No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
7.2	<p><b>Recommendation:</b> The S106 Monitoring Officer should take care when checking the number of clauses that should be charged for and ensure that the monitoring fee is not included as a clause.</p> <p><b>Agreed Management Action:</b> Carefully check the number of clauses in each agreement, disregarding the monitoring fee as a clause.</p> <p><b>Responsible Officer:</b> Section106 Monitoring Officer</p>	Medium	December 2012	<b>Development Manager</b> - Completed and on-going requirement of the Monitoring role	Implemented
8. 8.1	<p><b>Spreadsheet Amendments</b></p> <p><b>Recommendation:</b> The S106 Monitoring Officer should only keep “live” S106 contracts on the shared drive spreadsheet. All those that show contributions for other bodies, i.e. HCC, which have been received should be removed and all those for EHDC where the contribution has been received and all spent should also be removed.</p> <p><b>Agreed Management Action:</b> Amend spreadsheet accordingly.</p>	Merits Attention	May 2013	<b>Development Manager</b> - Completed and on-going requirement of the Monitoring role. Only “live” S106 contracts are kept on the shared drive.	Implemented



No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
8.2	<p><b>Responsible Officer:</b> Section 106 Monitoring Officer</p> <p><b>Recommendation:</b> The Head of Communications, Engagement and Cultural Services should pass the name of the responsible officer on to the S106 Monitoring Officer to add to the spreadsheet.</p> <p><b>Agreed Management Action:</b> Ensure that the name of the responsible officer is passed to the Section 106 Monitoring Officer and the Development Control Manager and added to the spreadsheet.</p> <p><b>Responsible Officers:</b> The Head of Communications, Engagement and Cultural Services and the Section 106 Monitoring Officer</p>	Merits Attention	With immediate effect	<p><b>The Head of Communications, Engagement and Cultural Services</b> - Confirmed this will be done each time a new project is put into place and new 'spend' officers identified and approved by CMT. CMT meet quarterly but on occasions a separate authorisation to proceed will be requested from CMT.</p> <p><b>Development Manager</b> - Confirmed and will be done as and when new spend officers are identified and approved by CMT. Column added to the spreadsheet to record this, all responsible officers will be entered for older contributions.</p>	Implemented
9.	<p><b>Coding of the Monitoring Fee</b></p> <p><b>Recommendation:</b> The Accountancy Manager should ensure that a unique code is set up for all future monitoring fee contributions and all 2012/13</p>	Merits Attention	August 2012	<b>Accountancy Manager</b> - Unique code established in August 2012. All Monitoring Fee income was transferred	Implemented

Page No.	Recommendation / Agreed Management Action	Priority	Original Target Date	Current Position	Status
34	<p>monitoring fee contributions are journalled to this code.</p> <p><b>Agreed Management Action:</b> New code set up and 2012/13 monies transferred to it.</p> <p><b>Responsible Officer:</b> Accountancy Manager</p>			to this code and new amounts credited there.	

## FOLLOW-UP OF SIAS RECOMMENDATIONS – ESSENTIAL REFERENCE PAPER “C”

<u>REVIEW AREA</u>	<u>RECOMMENDATIONS</u>	<u>PRIORITY</u>	<u>OFFICER &amp; TARGET DATE</u>	<u>MANAGEMENT UPDATE</u>	<u>OPEN/ CLOSED</u>
<b>Section 106 Agreements</b> Oct 12	The Service Department Responsible Officer should ensure that contributions are used in accordance with the original agreement.  Progress on spend should be monitored quarterly to ensure that agreed work has been undertaken. Monitoring should also ensure that eligible works have not been carried out using other Service Department budgets.	High	Head of Communications, Engagement and Cultural Services	Recommendation cleared by SIAS	CLOSED
	The Development Control Manager should identify all contributions which are more than 5 years old and where the money is unlikely to be spent for the original purpose. Meetings should then be held with the developer to discuss possible changes to the original agreement.	High	Development Control Manager (DCM)	Recommendation cleared by SIAS	CLOSED
	The S106 Monitoring Officer should record the clawback date on the shared spreadsheet and inform both the Service Department and Finance of the date by which the contributions should be spent.	High	S.106 Monitoring Officer	Recommendation cleared by SIAS	CLOSED
	For the older contracts (those over 5 years old), the Heads of Service should either: a) review the legal agreement to try to identify the purpose of the contribution; or b) Arrange a meeting with the Development Control Manager to agree the spending of the contributions to meet the documented spending criteria.	High	Development Control Manager	Recommendation cleared by SIAS	CLOSED
	Development Control Section and Service Department Officers should meet and clearly document what is required on each site and the specific purpose of each contribution.	High	Head of Planning and Building Control	Recommendation cleared by SIAS	CLOSED
	Process notes should be produced for the S106 process within Planning.	Medium	Development Control Manager & S.106 Monitoring Officer	Actioned	CLOSED

## FOLLOW-UP OF SIAS RECOMMENDATIONS – ESSENTIAL REFERENCE PAPER “C”

Page 36

<u>REVIEW AREA</u>	<u>RECOMMENDATIONS</u>	<u>PRIORITY</u>	<u>OFFICER &amp; TARGET DATE</u>	<u>MANAGEMENT UPDATE</u>	<u>OPEN/ CLOSED</u>
	Roles and responsibilities of all departments involved in the S106 process should be documented to ensure that all parts of the process are completed for each contribution received.	High	Head of Planning & Building Control & Head of Communications, Engagement and Cultural Services	Recommendation cleared by SIAS.	CLOSED
	The S106 Monitoring Officer should continue to send out receipt of contribution emails to the responsible officers.	High	s.106 Monitoring Officer	Actioned	CLOSED
	The Development Control Officer who produces the document taken to the Development Control meeting for approval must ensure that a monitoring fee is always included on that document, currently £300 per clause to ensure that it is included in the agreement prepared by legal.	Medium	Development Control Manager and s.106 Monitoring Officer	Planning case officers reminded to ensure that appropriate requirement is included in report. Managers who check reports also reminded of need to ensure the matter is addressed.	CLOSED
	The S106 Monitoring Officer should check that all contracts include a monitoring fee. Even if a monetary figure has been omitted from the agreement, there is a clause which does state that the developer will pay a monitoring fee and therefore the local authority are entitled to this fee.			S106 Monitoring officer has been reminded of need to check this matter.	CLOSED
	The S106 Monitoring Officer should take care when checking the number of clauses that should be charged for and ensure that the monitoring fee is not included as a clause.	Medium	S.106 Monitoring Officer	As above	CLOSED
	The S106 Monitoring Officer should only keep “live” S106 contracts on the shared drive spreadsheet. All those that show contributions for other bodies, i.e. HCC, which have been received should be removed and all those for EHDC where the contribution has been received and all spent should also be removed.	Merits Attention	S.106 Monitoring Officer	Reminder sent.	CLOSED

## FOLLOW-UP OF SIAS RECOMMENDATIONS – ESSENTIAL REFERENCE PAPER “C”

<u>REVIEW AREA</u>	<u>RECOMMENDATIONS</u>	<u>PRIORITY</u>	<u>OFFICER &amp; TARGET DATE</u>	<u>MANAGEMENT UPDATE</u>	<u>OPEN/ CLOSED</u>
	The Head of Communications, Engagement and Cultural Services should pass the name of the responsible officer on to the S106 Monitoring Officer to add to the spreadsheet.	Merits Attention	The Head of Communications, Engagement and Cultural Services	The responsible officer for each spend project is identified on the monitoring form.	CLOSED
			The S.106 Monitoring Officer	S.106 Monitoring Officer now updates spreadsheet.	CLOSED
	The Accountancy Manager should ensure that a unique code is set up for all future monitoring fee contributions and all 2012/13 monitoring fee contributions are journalled to this code.	Merits Attention	Accountancy Manager	New code set up and 2012/13 monies transferred to it.	CLOSED

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# The Annual Audit Letter for East Hertfordshire District Council

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**Year ended 31 March 2013**

October 2013

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## **Appendices**

A Reports issued and fees



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## Section 1: Executive summary

01. Executive summary

02. Audit of the accounts

03. Value for Money

04. Certification of grant claims and returns

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## Executive summary

### **Purpose of this Letter**

Our Annual Audit Letter ('Letter') summarises the key findings arising from the following work that we have carried out at East Hertfordshire District Council for the year ended 31 March 2013:

- auditing the 2012/13 accounts and Whole of Government Accounts submission (section two)
- assessing your arrangements for securing economy, efficiency and effectiveness in your use of resources (section three)
- certification of grant claims and returns (section four).

The Letter is intended to communicate key messages to you and external stakeholders, including members of the public. We reported the detailed findings from our audit work to those charged with governance in the Audit Findings Report on 18 September 2013.

### **Responsibilities of the external auditors and the Council**

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).

You are responsible for preparing and publishing your accounts, accompanied by an Annual Governance Statement. You are also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in your use of resources (Value for Money).

Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued in April 2013 and was conducted in accordance with the Audit Commission's Code of Audit Practice ('the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

### **Audit conclusions**

The audit conclusions which we provided in 2012/13 are as follows:

- an unqualified opinion that your accounts give a true and fair view of your financial position as at 31 March 2013 and your income and expenditure for the year
- an unqualified conclusion in respect of your arrangements for securing economy, efficiency and effectiveness in your use of resources
- a completed short-form assurance statement on your Whole of Government Accounts submission with no issues noted

We have certified the NNDR claim for the year with no amendments required and are completing our work on the Benefits claim. The final results of our work will be reported in a separate certification report to the Audit Committee

---

## **Key areas for your attention**

We summarise here the key messages arising from our audit for you to consider.

### **Accounts audit:**

We did not identify any significant audit adjustments that impacted on your income and expenditure position (statement of comprehensive income) or balance sheet (statement of financial position). Amendments required in the accounts were minor and of a presentational nature only and had no overall effect on your reported assets and liabilities.

An unqualified audit opinion was issued on 19 September 2013. Further details can be found in section 2 of this Letter.

### **Value for Money:**

An unqualified VFM conclusion was issued on 19 September 2013, confirming that you made proper arrangements to secure economy, efficiency and effectiveness in your use of resources for the year ended 31 March 2013. Further details can be found in section 3 of this Letter.

### **Grant certification:**

To date we have certified your NNDR claim. The claim was certified with no amendment required. Our work on your Housing Benefit claim remains in progress.

### **Public challenge matters:**

We did not receive any objections in respect of the financial statements for the year ended 31 March 2013. We certified the audit closed on 19 September 2013.

## **Acknowledgements**

This Letter has been agreed with the Director of Finance and Support Services and will be presented to Audit Committee on 20 November 2013.

We would like to record our appreciation for positive and constructive relationships we have enjoyed with management and the assistance and co-operation provided to us during our audit by your staff.

**Grant Thornton UK LLP**  
**October 2013**

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## Section 2: Audit of the accounts

01. Executive summary

**02. Audit of the accounts**

03. Value for Money

04. Certification of grant claims and returns

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# Audit of the accounts

## **Audit of the accounts**

The key findings of our audit of the accounts are summarised below:

### **Preparation of the accounts**

Officers presented us with draft accounts on 27 June 2013, in accordance with the national deadline. Appropriate working papers were made available from the start of the audit fieldwork, which commenced on 5 August 2013.

### **Issues arising from the audit of the accounts**

In the conduct of our audit, we did not have to alter or change our audit strategy, which was communicated to you in our Audit Plan presented to the Audit Committee on 10 July 2013.

We undertook work on key financial systems sufficient to support our approach to the accounts audit. This work did not identify any control issues that presented a material risk to the accuracy of the financial statements.

The draft financial statements recorded net expenditure of £4,196k. We identified no misstatements as a result of the audit that impacted on your reported financial position.

We did not identify any significant issues as a result of our audit work and recommended only a small number of minor adjustments to improve the presentation of the financial statements.

## **Annual governance statement (AGS)**

We reviewed the AGS to assess whether it complied with the requirements of 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007. We also considered whether the disclosures made were consistent with our knowledge of you and your key strategic risks.

## **Conclusion**

Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to 'those charged with governance' (the Audit Committee). We presented our report to the Audit Committee on 18 September 2013 and summarise only the key messages in this Letter.

We issued an unqualified opinion on your 2012/13 accounts on 19 September 2013, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the accounts give a true and fair view of your financial position and of the income and expenditure recorded.

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## Section 3: Value for Money

01. Executive summary

02. Audit of the accounts

**03. Value for Money**

04. Certification of grant claims and returns

# Value for Money

## Scope of work

The Code describes your responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in your use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

We are required to issue a VFM conclusion based on the following two criteria specified by the Audit Commission which support our reporting responsibilities under the Code:

**The Council has proper arrangements in place for securing financial resilience.** You have robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables you to continue to operate for the foreseeable future.

**The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.** You are prioritising your resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

## Key findings

### Securing financial resilience

We have undertaken a review which considered your performance against a series of key performance indicators and arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission: financial planning, financial governance and financial control.

Key indicators of performance	GREEN
Financial planning	GREEN
Financial governance	GREEN
Financial control	GREEN

Our work highlighted that you have maintained a strong financial position, reflecting good performance in challenging financial times. Further details are provided in our Audit Findings Report issued in September 2013.

### Challenging economy, efficiency and effectiveness

We have reviewed whether you have prioritised your resources to take account of the tighter constraints you are required to operate within and whether you have achieved cost reductions and improved productivity and efficiencies. Our work highlighted no significant issues.

### Overall VFM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we were satisfied that in all significant respects you put in place proper arrangements to secure economy, efficiency and effectiveness in your use of resources for the year ending 31 March 2013. Accordingly, we issued an unqualified VFM conclusion in September 2013.

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## Section 4: Certification of grant claims and returns

01. Executive summary

02. Audit of the accounts

03. Value for Money

04. Certification of grant claims and returns



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# Certification of grant claims and returns

## **Introduction**

We are required to certify some of the claims and returns submitted by you. This certification typically takes place some six to nine months after the claim period and represents a final but important part of the process to confirm your entitlement to funding.

We are currently in the process of certifying the 2012/13 grant claims and returns. Details have been provided below of the claims that have currently been certified:

- National Non Domestic Rates return (LA01) – no amendment / no qualification

The Housing and Council Tax Benefits scheme (BEN01) is yet to be certified.

Once all certification work is complete we will report in full on the findings of our work to the Audit Committee.

# Appendices

## Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and confirm there were no fees for the provision of non audit services.

### Fees

	Per Audit plan £	Actual fees £
Audit Fee	68,875	68,875
Grant certification fee	12,300	12,300
<b>Total fees</b>	<b>81,175</b>	<b>81,175</b>

### Fees for other services

Service	Fees £
None	Nil

### Reports issued

Report	Date issued
Audit Plan	April 2013
Audit Findings Report	September 2013
VfM – Financial Resilience Report (included in the Audit Findings Report)	September 2013
Certification report (on completion of certification work)	November 2013
Annual Audit Letter	October 2013



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## EAST HERTS COUNCIL

### AUDIT COMMITTEE - 20 NOVEMBER 2013

#### REPORT BY DIRECTOR OF FINANCE AND SUPPORT SERVICES

#### COUNCIL'S RESPONSE TO ANNUAL AUDIT LETTER

WARD(S) AFFECTED: ALL

#### **Purpose/Summary of Report**

- To report responses to the issues raised in the Annual Audit Letter 2012/13

#### **RECOMMENDATIONS FOR AUDIT COMMITTEE :**

**That**

<b>(A)</b>	<b>the Committee endorse the response to the Annual Audit Letter and action plans relating to the ISA 260 report and Value for Money arrangements</b>
------------	---

#### 1.0 Background

1.1 The Annual Audit Letter from the Council's External Auditor is elsewhere on the agenda. The letter sets out key messages for the Council arising from the 2012/13 audit.

#### 2.0 Report

2.1 The Annual Audit letter summarises the key issues arising from the work undertaken by Grant Thornton UK LLP for the year ended 31 March 2013.

2.2 The letter follows on from the report submitted to the Committee by the External Auditors at its meeting in September 2013.

2.3 One area was identified within the September 13 report relating to IT systems and an agreed action plan was included in that report. The committee is invited to endorse this action plan which can be found in **Essential Reference Paper 'B'**.

2.4 No further areas were identified for action within the Annual Audit Letter and no objections were raised on the accounts for 2012/13.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Annual Audit Letter (on this agenda)  
Audit Findings Report (September 2013)

Contact Member: Councillor Mike Tindale, Executive Member for Finance  
[Michael.tindale@eastherts.gov.uk](mailto:Michael.tindale@eastherts.gov.uk)

Contact Officer: Adele Taylor – Director of Finance and Support Services  
[adele.taylor@eastherts.gov.uk](mailto:adele.taylor@eastherts.gov.uk)

Report Author: Adele Taylor – Director of Finance and Support Services  
[adele.taylor@eastherts.gov.uk](mailto:adele.taylor@eastherts.gov.uk)

## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives	<p><b>People</b> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</p> <p><b>Place</b> This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</p> <p><b>Prosperity</b> This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	None
Legal:	The Council is required to publish the Annual Audit Letter.
Financial:	The proposed response and management actions will be met from within existing resources.
Human Resource:	None
Risk Management:	The report further alerts the Council to the risks of constrained finance and changes to Government funding arrangements.

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**Council Response to External Audit Report**

No.	Priority Assessment	Recommendation	Management Comments	Implementation date and responsibility
<b>Audit Recommendations</b>				
1	Medium	<p><b>Payroll system password configuration:</b></p> <p>Management should consider the following:</p> <ul style="list-style-type: none"> <li>• increasing the minimum password length to 8 characters</li> <li>• setting password expiry to 30-60 days</li> <li>• enabling the use of complex passwords (including the use of a dictionary to restrict users from choosing common words)</li> <li>• locking accounts after 3 grace logons</li> </ul>	<p>East Herts will review security policies relating to all major line of business applications once the overall review of network security has taken place as the latter may impact on the former.</p> <p>East Herts propose to review password control and other security for the payroll system by September 2013.</p>	<p>Head of Shared IT</p> <p>September 2013</p>
2	Medium	<p><b>Leavers access rights to Capita: Academy:</b></p> <p>Management should consider implementing a formal process to ensure a periodic human resources report of leavers is provided to the Capita: Academy system personnel</p>	<p>Academy system personnel are to be included on the leaver notification email from HR from July 2013.</p>	<p>Systems &amp; Support Manager (Capita)</p> <p>Implemented</p>

No.	Priority Assessment	Recommendation	Management Comments	Implementation date and responsibility
3	Medium	<p><b>IT security policy update:</b></p> <p>Management should ensure that the IT Security Policy is reviewed at planned intervals or when significant changes occur to ensure its continuing suitability, adequacy and effectiveness. We recommend that updated IT policies are reviewed and approved by management, published and communicated to all employees and relevant third parties.</p>	<p>East Herts agreed to pursue a shared ICT service with Stevenage Borough Council in August 2013.</p> <p>The shared service arrangements focus on the implementation of a shared data service centre for the two partner authorities which will be implemented by the end of 2013/14. In order for these proposals to go forward there is an urgent requirement to review IT security policies for both authorities.</p> <p>A provisional timeframe to review core security policies has been set as December 2013, subject to agreement by the Shared Services Partnership Board in their first meeting on 9 September.</p>	<p>Head of Shared IT</p> <p>December 2013</p>
4	Medium	<p><b>Unauthorised access attempts reports:</b></p> <p>Management should create a policy associated to unauthorised attempts to the revenues/benefits and payroll systems. This policy should consider a review of unauthorised login attempts, as well as set out follow up actions to be adopted in case a security risk is identified</p>	<p>East Herts will review security policies relating to all major line of business applications once the overall review of network security has taken place as the latter may impact on the former. A provisional timeframe to review core security policies has been set as December 2013</p>	<p>Head of Shared IT</p> <p>December 2013</p>



Mr George Robertson  
Chief Executive  
East Hertfordshire District Council  
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2 April 2013

Dear George

## **Planned audit fee for 2013/14**

The Audit Commission has set its proposed work programme and scales of fees for 2013/14. In this letter we set out details of the audit fee for the Council along with the scope and timing of our work and details of our team.

## **Scale fee**

The Audit Commission defines the scale audit fee as “the fee required by auditors to carry out the work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice. It represents the best estimate of the fee required to complete an audit where the audited body has no significant audit risks and it has in place a sound control environment that ensures the auditor is provided with complete and materially accurate financial statements with supporting working papers within agreed timeframes.”

Your scale fee for 2013/14 has been set by the Audit Commission at £68,875, which is unchanged from the audit fee of £68,875 for 2012/13.

Further details of the work programme and individual scale fees for all audited bodies are set out on the Audit Commission’s website at [www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-work-programme](http://www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-work-programme).

The audit planning process for 2013/14, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

In the case of any objections, fees will be charged for considering these, from the point at which they are accepted as valid, as a variation to the scale fee stated above.

## **Scope of the audit fee**

The scale fee covers:

- our audit of your financial statements
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return.

### **Value for Money conclusion**

Under the Audit Commission Act, we must be satisfied that you have adequate arrangements in place to secure economy, efficiency and effectiveness in your use of resources, focusing on the arrangements for:

- securing financial resilience; and
- prioritising resources within tighter budgets.

We undertake a risk assessment to identify any significant risks which we will need to address before reaching our value for money conclusion. We will assess your financial resilience as part of our work on the VfM conclusion and a separate report of our findings will be provided.

### **Certification of grant claims and returns**

Your composite indicative grant certification fee has been set by the Audit Commission at £12,600.

### **Billing schedule**

Fees will be billed as follows:

<b>Main Audit fee</b>	<b>£</b>
September 2013	17,219
December 2013	17,219
March 2014	17,219
June 2014	17,218
<b>Scale fee</b>	68,875
Grant certification (June 2014)	12,600
<b>Total</b>	<b>81,475</b>

### **Outline audit timetable**

We will undertake our audit planning and interim audit procedures in early 2014. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed in September 2014 as well as our work on the whole of government accounts return.

<b>Phase of work</b>	<b>Timing</b>	<b>Outputs</b>	<b>Comments</b>
Audit planning and interim audit	February and March 2014	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of your accounts and VfM arrangements.
Final accounts audit	August and September 2014	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	January to September 2014	Audit Findings (Report to those charged with governance)	As above
Financial resilience	January to September 2014	Financial resilience report	Report summarising the outcome of our work.
Whole of government accounts	September 2014	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	October 2014	Annual audit letter to the Council	The letter will summarise the findings of all aspects of our work.
Grant certification	June to December 2014	Grant certification report	A report summarising the findings of our grant certification work

### **Our team**

The key members of the audit team for 2013/14 remain unchanged:

	<b>Name</b>	<b>Phone Number</b>	<b>E-mail</b>
Engagement Lead	Paul Grady	0207 728 3196	<a href="mailto:paul.d.grady@uk.gt.com">paul.d.grady@uk.gt.com</a>
Engagement Manager	Nick Taylor	01223 225514	<a href="mailto:nick.taylor@uk.gt.com">nick.taylor@uk.gt.com</a>
Audit Executive	Bevan Boyle	0207 728 2013	<a href="mailto:bevan.j.boyle@uk.gt.com">bevan.j.boyle@uk.gt.com</a>

**Additional work**

The scale fee excludes any work requested by you that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with you.

**Quality assurance**

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Paul Dossett, our regional lead partner for Public Sector Assurance ( [paul.dossett@uk.gt.com](mailto:paul.dossett@uk.gt.com) ).

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Paul Grady', with a large, stylized flourish extending to the right.

Paul Grady  
For Grant Thornton UK LLP

## EAST HERTS COUNCIL

### AUDIT COMMITTEE - 20 NOVEMBER 2013

#### REPORT BY DIRECTOR OF FINANCE AND SUPPORT SERVICES

#### UPDATE ON IMPLEMENTATION OF 2013/2014 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

#### WARD(S) AFFECTED: ALL

---

### **Purpose/Summary of Report**

- The 2012/13 Annual Governance Statement includes seven measures to enhance East Herts Council's internal control framework during 2013/14. The Audit Committee is requested to consider the content of **Essential Reference Paper 'B'** that provides details of proposed actions that need to take place prior to confirmation being given that adequate and effective controls are fully in place.

<b><u>RECOMMENDATION FOR AUDIT COMMITTEE: That:</u></b>	
(A)	<b>The Committee reviews the progress made against implementing the action plan contained in the 2012/13 Annual Governance Statement and advises of any concerns.</b>

#### 1.0 Background

1.1 The Annual Governance Statement Action Plan has identified key responsible officers and timescales and is monitored through reports to this Committee. Actions needed to address issues have been identified and are monitored on a R(ed), A(mber) and G(reen) basis.

#### 2.0 Report

2.1 For the purposes of the Annual Governance Statement, internal control is being interpreted in its broadest sense covering both financial and managerial controls that ensure that the

implementation of East Herts Council's vision and priorities is being managed effectively.

- 2.2 Position statements are reflected in **Essential Reference Paper 'B'** following consultation with key responsible officers. The position statement contains a traffic light system whereby:
- "Green" indicates that the planned action has been achieved,
  - "Amber" indicates that satisfactory progress is being made towards achieving the planned action, and
  - "Red" is where a planned action has not been achieved or that progress is unsatisfactory.

- 2.3 Since the previous Audit Committee the current positions have been updated but there have been insufficient movements to change the RAG status of any actions. The updated positions were also considered by Corporate Management Team on 29 October 2013.

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A'.

### Background Papers

Annual Governance Statement 2012/ 2013 – Audit Committee 18 September 2013.

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## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives	<p><b>People</b> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</p> <p><b>Place</b> This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</p> <p><b>Prosperity</b> This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	No public or partner consultations were required during the preparation of this report.
Legal:	There are no additional legal implications to those already contained in this report.
Financial:	There are no additional financial implications to those already contained in this report.
Human Resource:	There are no additional human resource implications to those already contained in this report.
Risk Management:	There are no additional risk management implications to those already contained in this report.

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**ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2013/14**

<b>Issue</b>	<b>Resp. Off.</b>	<b>Initial Target Date</b>	<b>Actions needed to achieve milestone</b>	<b>Current position</b>	<b>RAG status</b>
Risk of failure to deliver an effective, efficient and economic IT service (from 2010/11 Action Plan)	Director of Finance and Support Services/  Head of Shared ICT, Business Impr'ment and Print and Graphic Design Services	March 2014	<ul style="list-style-type: none"> <li>• All outstanding high risk IT audit recommendations implemented.</li>   <li>• Resilient IT business continuity arrangements in place.</li> </ul>	<ul style="list-style-type: none"> <li>• SIAS continue to monitor and will report back to Audit Committee following on from the specific report on Outstanding SIAS recommendations to Audit Committee in September 2013 .</li>   <li>• IT business continuity arrangements have been picked up within the Shared Service. The intended solution provides for all technology to be recoverable within four hours.</li> </ul>	AMBER

IT Risk Diagnostic (Highlighted by SIAS during 2012/13)	CMT	March 2014	<ul style="list-style-type: none"> <li>• Develop an IT strategy which is aligned with the business objectives of the Council and sets out the vision and core priorities for ICT over the next 3 years.</li> <li>• Implement a governance committee to focus on strategic decision making and prioritisation within IT and assign the monitoring of ICT delivery to more operational committees.</li> <li>• Define performance indicators for ICT which are aligned with the business need and with ICT capacity to deliver. On a periodic basis, monitor and report them to business stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• An approach to delivering a new ICT Strategy has been agreed with the portfolio holder. This will involve putting in place a Members Working Group who will work with officers to agree a strategy.</li> <li>• Governance arrangements are in place for the shared ICT service.</li> <li>• Performance measures are reported at each ITSG meeting.</li> </ul>	AMBER
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Hertford Theatre future governance arrangements (from 2011/12 Action Plan)	CMT	March 2014	<ul style="list-style-type: none"> <li>Options to be developed to consider financial and other risks during a period of transition.</li> </ul>	<ul style="list-style-type: none"> <li>Only two full years into ten year plan and therefore no early decisions will be made to move to alternative governance arrangements.</li> <li>Community Scrutiny Committee in September 2013 received the end of Financial Year Report and thanked the team as a whole for their contribution to the success of the venue.</li> </ul>	AMBER
Asset Management Plan (from 2012/13 Action Plan)	CMT	March 2014	<ul style="list-style-type: none"> <li>Review assets held by the Council.</li> </ul>	<ul style="list-style-type: none"> <li>Asset Management Plan 2013-17 approved by CMT but has been put on hold pending senior management review of viability of investing in property to generate revenue for the Council.</li> </ul>	AMBER

Impact of Welfare Reform changes (Identified as a new strategic risk)	CMT	March 2014	<ul style="list-style-type: none"> <li>• New Legislation will have an adverse financial impact on a significant number of residents. Provide residents more support for services across the Council to staffing levels, manage the budget and the public expectations. Implement Council policies effectively.</li> </ul>	<ul style="list-style-type: none"> <li>• The workload in the Revenues and Benefits service continues to increase. Services across the Council, including Housing and Customer Services continue to experience an increase in demand. Services are working together to work efficiently and effectively to manage workloads.</li> </ul>	AMBER
Operating effectively in Shared Services ( taken forward from 2012/13 Action Plan)	CMT	March 2014	<ul style="list-style-type: none"> <li>• Complete a review of the operation of all shared service partnership arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Review planned.</li> </ul>	AMBER

<p>Risk that S106 Monies remain unspent (Highlighted by SIAS during 2012/13)</p>	<p><b>Head of Comms, Engagement and Cultural Services/ Head of Planning and Building Control</b></p>	<p>March 2014</p>	<ul style="list-style-type: none"> <li>• Ensure that funds are spent on appropriate schemes in accordance with the terms of the Section 106 agreement which provide value for money for the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reports are made to CMT identifying projects and tracking outstanding payments.</li> <li>• Update on Section 106 Agreements to be reported to Audit Committee in November 2013.</li> </ul>	<p>AMBER</p>
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## EAST HERTS COUNCIL

### AUDIT COMMITTEE – 20 NOVEMBER 2013

### REPORT BY THE LEADER OF THE COUNCIL

### RISK MANAGEMENT MONITORING REPORT (JULY TO SEPTEMBER 2013)

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### WARD(S) AFFECTED: ALL

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### **Purpose/Summary of Report**

- This report relates to action taken to mitigate and control strategic risks in the period July to September 2013.

<b><u>RECOMMENDATION FOR AUDIT COMMITTEE: That:</u></b>	
<b>(A)</b>	<b>The action taken to mitigate and control strategic risks be approved.</b>

#### 1.0 Background

The Strategic Risk Register was last considered by Audit Committee on 18 September 2013. The register has been updated to reflect controls implemented between July and September 2013 and is attached at **Essential Reference Paper 'B'**

#### 2.0 Report

##### 2.1 Risk management can be defined as:

The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of their failure. (Source: The Institute of Risk Management).

##### 2.2 Managing threats and opportunities helps to create an environment of “no surprises” and the Authority is in a stronger position to deliver services in accordance with corporate priorities. By managing opportunities, it is better positioned to provide

continuous improvement in its services and better value for money.

2.3 The following system of rating has been adopted:

Rating the potential impact if the risk was to occur using the following scores

- 4 **High** - Greater than £280,000 and / or national criticism and / or catastrophic fall in service quality
- 3 **Medium** - £140,000 to £280,000 and / or regional criticism and / or major long term fall in service quality
- 2 **Low** - £50,000 to £140,000 and / or long term local media criticism and / or minor long term or major short term fall in service quality
- 1 **Negligible** - Below £50,000 and / or short term local media criticism and / or short term fall in service quality

Rating the likelihood of occurrence using the following scores

- 4 **Probable** - The event is likely to occur within a year
- 3 **Possible** - The event is likely to occur within, or more than one in three years
- 2 **Unlikely** - The event could occur less frequently than every three years
- 1 **Rare** – The event could occur in exceptional circumstances

These scores are further assessed to classify whether risks are considered to be critical, caution, contingency or control.

2.4 The Strategic Risk Register, **Essential Reference Paper 'B'**, has been updated to reflect controls implemented between July and September 2013. Scoring remains unchanged.

2.5 This information was presented to the Executive on 5 November 2013. There are no comments to relay.

2.6 All strategic and operational risks can be viewed on the Council's performance management system, Covalent ([www.covalentcpm.com/eastherts](http://www.covalentcpm.com/eastherts)).

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

Risk Monitoring Report April to June 2013 – Audit Committee 18 September 2013.

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## ESSENTIAL REFERENCE PAPER 'A'

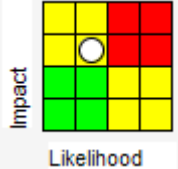
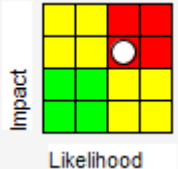
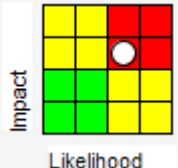
### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	<p><b>People</b> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</p> <p><b>Place</b> This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</p> <p><b>Prosperity</b> This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	There are no specific consultation implications arising directly from this report.
Legal:	There are no specific legal implications arising directly from this report.
Financial:	There are no specific financial implications arising directly from this report.
Human Resource:	There are no specific human resource implications arising directly from this report.
Risk Management:	There are no additional risk management implications to those already contained in this report. However, it should be noted that if East Herts did not have a risk management monitoring process, the Authority would be seen to be not managing risks appropriately, which would have a significant negative impact on recommendations made by the External Auditors through the Annual Audit Letter.

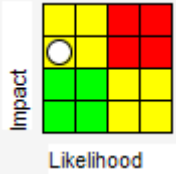
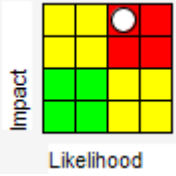
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## Strategic Risk Register July to September 2013

Code	Title	Description	Current Risk Matrix	Impact	Likelihood	Managed By	Latest Note
13-SR1	Risk of significant reduction in funding above that planned for, in particular localisation of Council Tax Support and localisation of business rates.	There is uncertainty around future funding, both from Government and other areas such as income from commodities markets for recycled materials. There are cost pressures combined with an increased awareness and scrutiny of financial position.		4	3	Adele Taylor	July to September 2013: Refreshed Medium Term Financial Plan produced and considered by Corporate Business Scrutiny Committee and Executive in September before being presented to Council in October 2013. Significant new savings to be delivered in Year 3 and 4 of the plan with actions to be identified.
13-SR2	Risk of a loss of capacity / capability and flexibility to deliver service levels we would like.	There are challenges around workforce planning to ensure the Council is fit for the future, in terms of workforce skills, capacity and flexibility.		3	3	Adele Taylor	July to September 2013: Refreshed Medium Term Financial Plan produced and considered by Corporate Business Scrutiny Committee and Executive in September before being presented to Council in October 2013. Significant new savings to be delivered in Year 3 and 4 of the plan with actions to be identified. The workforce implications of any decisions will need to be considered through the detailed budget setting process.

<p>13-SR3</p>	<p>Risk that supplier / contractor or key third sector partner fails or fails to deliver.</p>	<p>A number of key external and internal services are delivered through major contracts, both directly and in consortia. This is both through private sector supply chains and in conjunction with the voluntary and third sector.</p>		<p>3</p>	<p>2</p>	<p>George A Robertson</p>	<p>July to September 2013: The council has robust contract management processes and procedures in place to ensure any concerns are flagged up early.</p>
<p>13-SR4</p>	<p>Risk that investment and effort does not deliver benefits and returns in Shared Services</p>	<p>Moving more towards shared services with other public sector partners. Potential for lack of consistent political buy-in by all partners resulting in considerable effort without benefit. There is also a challenging skill set for managers due to the complexity.</p>		<p>3</p>	<p>3</p>	<p>Adele Taylor</p>	<p>July to September 2013: The new ICT, Print &amp; Design and Business Improvement shared service started on 1st August 2013. Significant savings to be delivered when fully operational which supports the Council's financial strategy going forward. Delivery will be closely monitored.</p>
<p>13-SR5</p>	<p>There is uncertainty on overall future government policy and a number of changes required without accompanying</p>	<p>Risk of being unable to long term strategically plan.</p>		<p>3</p>	<p>3</p>	<p>Simon Drinkwater</p>	<p>July - September 2013: Risk on target. Risks arising from changes in government policy are identified and reported to Corporate Management Team. The Council is continuing to respond to changes in the benefit system. The situation is being monitored. The Council has responded to the changes in planning resulting from</p>



	resource.						the introduction of the new framework and other changes arising from the Localism Act. The District Plan is progressing with a report to Council in December 2013. The delay in the provision of the District Plan has increased the risks of housing development being allowed on appeal. The budget challenge process has created opportunities for additional financial savings.
13-SR6	Risk that SMG does not implement Council policies in a coherent and consistent way.	There could be a lack of consistency and cohesion at senior management levels of implementing decisions.		3	1	Simon Drinkwater	July - September 2013: Corporate Management Team meets fortnightly. Part of the role of CMT is to ensure consistency in implementing decisions. Directors discuss the implementation of decisions with Heads of Service and other managers to ensure consistency of approach. Departmental Management Team meetings convey details of decisions to relevant staff. Directors are responsible for ensuring that decisions are implemented correctly. The Here to Help initiative should lead to more dynamic decision making.
13-SR7	Availability and performance of IT systems and resources impacting on service delivery.	Reduced levels of service across the Authority. Targets may not be achieved. Staff morale and reputation of Council may suffer. Influence of ITSG should reduce risks		4	3	Adele Taylor	July to September 2013: New shared service started in August 2013 which should support a more resilient service better able to support the systems we currently have. In addition a programme of investment in new ICT infrastructure has been approved and will begin to be rolled out in the next quarter which should improve reliability and availability of systems. Performance being monitored through Information Technology Steering Group.

							(ITSG).
13-SR8	Data Protection: Failure to comply with the data protection principles. The potential disclosure of personal data inappropriately.	Action may be taken by the ICO. Individuals may suffer if their personal data, particularly sensitive personal data is disclosed.		3	2	George A Robertson	July to September 2013: The council is undertaking a programme of policy and process review which will further strengthen this area and mitigate potential risks. Data protection risk assessments required within the service planning process that commenced in September 2013.
13-SR9	Impact of welfare reform changes.	New legislation will have an adverse financial impact on a significant number of residents. Residents will require more support from services across the Council affecting staffing levels, finances, and a risk of increased aggression. There may also be difficulties in implementing Government policy.		3	3	Adele Taylor	July to September 2013: The workload in Revenues and Benefits service continues to increase. Services across the Council including Housing and Customer Service continue to also experience an increase in demand. Services are working together to work efficiently and effectively to manage the increased workload.

## EAST HERTS COUNCIL

### AUDIT COMMITTEE – 20 NOVEMBER 2013

### REPORT BY DIRECTOR OF FINANCE & SUPPORT SERVICES

### AUDIT COMMITTEE WORK PROGRAMME 2013/14

### WARD(S) AFFECTED: ALL

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#### **Purpose/Summary of Report**

- This report provides the Audit Committee work programme for the 2013/14 civic year for consideration and approval.

<b><u>RECOMMENDATION FOR AUDIT COMMITTEE: That:</u></b>
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<b>(A)</b>	<b>The work programme for the Audit Committee be approved.</b>
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#### 1.0 Background

1.1 The Audit Committee's work programme was approved by the Audit Committee on 13 March 2013.

#### 2.0 Report

2.1 The Audit Committee work programme for the 2013/2014 civic year is given at **Essential Reference Paper 'B'**.

2.2 There have been no amendments made to the work programme since the previous Audit Committee meeting.

#### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

Audit Committee Work Programme 2013/14 Audit Committee  
18 September 2013.

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## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives:	<b>People</b> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.
Consultation:	The requirements of our External Auditor Grant Thornton UK LLP and the Shared Internal Audit Service have been sought and fully accommodated.
Legal:	There are no additional legal implications to those already contained in this report.
Financial:	There are no additional financial implications to those already contained in this report.
Human Resource:	There are no additional human resource implications to those already contained in this report.
Risk Management:	There are no additional risk management implications to those already contained in this report.

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## ESSENTIAL REFERENCE PAPER 'B'

### Audit Committee Work Programme 2013/14 Civic Year

Committee Date	Agenda Items
10 July 2013	<ul style="list-style-type: none"> <li>• Training item- Grant Thornton- Governance</li> <li>• External Audit- Interim and Audit Approach Report</li> <li>• Draft Statement of Accounts 2012-2013.</li> <li>• Shared Internal Audit Service Annual Assurance Statement 2012/13.</li> <li>• Shared Internal Audit Service Audit Charter.</li> <li>• Shared Internal Audit Service- Progress Report.</li> <li>• Update on Payment to Members for ICT expenses- objection to 2011-2012 Accounts</li> <li>• Update on Implementation of Annual Governance Statement Action Plan.</li> <li>• Draft 2012/13 Annual Governance Statement.</li> <li>• Risk Management monitoring report 1 February 2013 to 30 April 2013.</li> <li>• Audit Committee Work Programme.</li> </ul>
18 Sept 2013	<ul style="list-style-type: none"> <li>• Training item- SIAS Fieldwork Processes.</li> <li>• External Audit report- Audit Findings Report.</li> <li>• Treasury Management Strategy Statement – 2012/13 outturn and 2013/14 mid-year review.</li> <li>• Statement of Accounts 2012/13.</li> <li>• 2012/13 Annual Governance Statement.</li> <li>• Annual Shared Internal Audit Service Board Report 2012/13.</li> <li>• Shared Internal Audit Service- Progress Report.</li> <li>• Outstanding SIAS High Priority ICT Recommendations.</li> <li>• Risk Management Strategy.</li> <li>• Risk Management monitoring report 1 April 2013 to 30 June 2013.</li> <li>• Audit Committee Work Programme.</li> </ul>
20 Nov 2013	<ul style="list-style-type: none"> <li>• External Audit report- 2012/13 Annual Audit Letter.</li> <li>• Council response to 2012/13 Annual Audit Letter.</li> <li>• External Audit report- Planned Audit Fee for 2013/14.</li> <li>• Update on Section 106 Agreements.</li> <li>• Update on Implementation of Annual Governance Statement Action Plan.</li> </ul>

## ESSENTIAL REFERENCE PAPER 'B'

### Audit Committee Work Programme 2013/14 Civic Year

	<ul style="list-style-type: none"> <li>• Risk Management monitoring report 1 July 2013 to 30 September 2013.</li> <li>• Audit Committee Work Programme.</li> </ul>
22 Jan 2014	<ul style="list-style-type: none"> <li>• External Audit- Grants Claim Certification Work 2012/13.</li> <li>• Treasury Management Strategy Statement 2014/15.</li> <li>• Shared Internal Audit Service- Progress Report.</li> <li>• Update on Implementation of Annual Governance Statement Action Plan.</li> <li>• Audit Committee Work Programme.</li> </ul>
19 March 2014	<ul style="list-style-type: none"> <li>• External Audit Update report.</li> <li>• Shared Internal Audit Service- Progress Report.</li> <li>• Internal Audit Plan 2014/15.</li> <li>• Update on Implementation of Annual Governance Statement Action Plan.</li> <li>• Annual Review of Data Quality Strategy.</li> <li>• Risk Management monitoring report 1 October 2013 to 31 December 2013.</li> <li>• Audit Committee Draft Work Programme 2014/15 Civic Year.</li> </ul>