

MINUTES OF A MEETING OF THE
AUDIT COMMITTEE HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON WEDNESDAY 21
JANUARY 2015, AT 7.00 PM

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

OFFICERS IN ATTENDANCE:

Chris Gibson	- Head of Governance and Risk Management
Peter Mannings	- Democratic Services Officer
Adele Taylor	- Director of Finance and Support Services

ALSO IN ATTENDANCE:

Paul Grady	- Grant Thornton, External Auditor
Sarah Ironmonger	- Grant Thornton, External Auditor
Helen Maneuf	- Shared Internal Audit Service

480 MINUTES – 26 NOVEMBER 2014

RESOLVED – that the Minutes of the meeting held
on 26 November 2014 be approved as a correct
record and signed by the Chairman.

481 CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised that the External Auditors had been delayed in traffic and the Training Item and the External Audit Grants Claim Certification report would be considered later in the meeting when the Auditors arrived.

482 TREASURY MANAGEMENT STATEMENT AND ANNUAL INVESTMENT STRATEGY

The Executive Member for Finance submitted a report which set out the 2015/16 Treasury Strategy Statement and Annual Investment Strategy together and Prudential Indicators.

Members were advised that this report was one of the final stages of the budget setting process and was linked to the consolidated budget report recently considered by the joint meeting of Scrutiny Committees.

The Director of Finance and Support Services advised that there had been no additional regulatory changes since those that had been included in the revised Treasury Management Strategy submitted to the Audit Committee on 10 July 2014, and that no additional changes were proposed in respect of the 2015–16 Strategy.

In response to a query from the Chairman, the Director of Finance and Support Services referred to the red figures in the table at paragraph 3.1 of the report submitted. Members were advised how the capital programme was financed in terms of the Council's borrowing need externally and internally.

In reply to a question from Councillor J Wing regarding capital assets and capital receipts, the Director of Finance and Support Services undertook to provide a written response.

Members received the report and made

recommendations to the Executive as detailed in the report.

RESOLVED – that (A) the Treasury Management Strategy and Annual Investment Strategy detailed in paragraphs 2.1 – 2.2 be recommended for submission to the Executive;

(B) the prudential indicators detailed in paragraph 2.3 be recommended for submission to the Executive; and

(C) the counterparty listed detailed in paragraph 2.4 of the report submitted, be recommended for submission to the Executive.

483 SHARED INTERNAL AUDIT SERVICE – INTERNAL AUDIT PLAN PROGRESS REPORT

The Shared Internal Audit Services (SIAS) submitted a report setting out the progress made in delivering the Council's Annual Audit Plan for 2014/15 as at 5 January 2015. The report also proposed a number of amendments to the approved audit plan and sought approval for the removal of implemented high priority recommendations.

Members were advised that, as at 5 January 2015, 65% of the 2014/15 Audit Plan days had been delivered and the proposed amendments to the 2014/15 Audit Plan were detailed within the report now submitted. Members were also advised that the Audit Plan was more than two thirds complete, with 71% delivered and sufficient further days were booked to ensure delivery of the Audit Plan.

Councillor D Andrews referred to emergency planning and business continuity in the context of the recent events in South Oxfordshire. The Director of Finance and Support Services stated that Officers were confident that systems such as EDM were in place to ensure IT and business continuity but that any lessons learnt from the

events in South Oxfordshire would be considered as part of our business continuity plans.

Members noted the report and approved the recommendations detailed in the report as now submitted.

RESOLVED – that (A) the report be received;

(B) the amendments to the 2014/15 Audit Plan as at 5 January 2015 be approved; and

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

484 TRAINING ITEM – GRANT THORNTON (EXTERNAL AUDIT)
NATIONAL FINANCIAL RESILIENCE

The External Auditors delivered a presentation in respect of National Financial Resilience Training and the evolution of Local Government in meeting this challenge. Members were advised that whilst most Local Authorities had risen to the challenge, more needed to be done in some areas as regards resilience.

The External Auditors detailed the background and the wider picture facing Local Authorities in light of the 2010 and 2013 spending reviews as well as the demographic changes that were increasing demand for services.

The Auditors concluded by setting out bar chart data regarding risk assessments, Financial Performance Indicators, Strategic Financial Planning and Governance, Financial Control as well as the summary position in respect of national results. Members were also provided with a good practice checklist and details of the financial performance of the NHS by way of a comparison with the financial performance of Local Government.

Members made a number of comments in respect of the presentation. The Committee received the presentation and thanked the External Auditors for their informative

comments.

RESOLVED – that the presentation be received.

485 EXTERNAL AUDIT – GRANTS CLAIM CERTIFICATION
WORK 2013/14

The External Auditor submitted a letter confirming that one claim had been certified for the 2013/14 financial year relating to expenditure of £36.1M. The External Auditor confirmed that subject to an amendment to this claim which would have no impact on the overall claimed subsidy, they were satisfied that the Council had appropriate arrangements in place to compile and complete accurate and timely claims for audit certification.

It was noted that the indicative scale fee for grant certification for 2013/14 was £11,088.

Members received the report.

RESOLVED – that the report be received.

486 UPDATE ON IMPLEMENTATION OF ANNUAL
GOVERNANCE STATEMENT ACTION PLAN

The Director of Finance and Support Services submitted a report in relation to the 2013/14 Annual Governance Statement and the 11 measures recommended to enhance East Herts Council's internal control framework during 2014/15. The report also provided details of proposed actions that needed to take place prior to confirmation being given that adequate and effective controls were fully in place.

Members were advised that the Shared Internal Audit Service (SIAS) had cleared outstanding high risk recommendations in their IT review through Price Waterhouse Coopers (PwC) and the status of the corresponding issue was now green as SIAS was satisfied that resilient IT business continuity arrangements

were now in place.

The Head of Governance and Risk Management stated that minor revisions had been made to target dates to reflect the expected delivery of reports from SIAS that would provide extra reassurance and would have a direct bearing on several of the Red, Amber, Green (RAG) assessments. Members were reminded that all of the recommendations made by SIAS were being monitored by Officers and quarterly updates were being submitted to Corporate Management Team (CMT).

Councillor J Wing commented on the prospects of the RAG status of the actions relating to the delivery of the “Here to Help” programme. The Director of Finance and Support Services stated that significant emphasis and resources had been allocated to the ethos of the “Here to Help” programme.

The Chairman commented on the newly identified 2014/15 strategic risk regarding the development of a District Plan which had been approved by the planning inspectorate. The Head of Governance and Risk Management advised that significant work was being undertaken to review the evidence and identify gaps which needed to be filled before the District Plan could move forward to an “amendments consultation” version.

Members noted the progress made against implementing the 2014/15 Annual Governance Statement Action Plan.

RESOLVED – that the progress made against implementing the Action Plan detailed in the 2014/15 Annual Governance statement be noted.

487 AUDIT COMMITTEE WORK PROGRAMME 2015/16 CIVIC YEAR

The Director of Finance and Support Services submitted a report detailing the proposed work programme for Audit Committee.

The Chairman reminded the Committee that there was no training scheduled for the next meeting. Members approved the work programme as now detailed.

RESOLVED – that the work programme, as now detailed, be approved.

The meeting closed at 8.14 pm

Chairman
Date