

MINUTES OF A MEETING OF THE
AUDIT COMMITTEE HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON WEDNESDAY 23
NOVEMBER 2011, AT 7.00 PM

PRESENT: Councillor J Ranger (Chairman)
Councillors W Mortimer, P Phillips, M Pope,
R Radford, N Wilson and J Wing

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Committee Secretary
Simon Drinkwater	- Director of Neighbourhood Services
Alan Madin	- Director of Internal Services

ALSO IN ATTENDANCE:

Paul Dossett	- Grant Thornton
Nick Taylor	- Grant Thornton

443 CORPORATE GOVERNANCE TRAINING - PRESENTATION BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES

Members were provided with a presentation covering Corporate Governance Training. The Director of Neighbourhood Services provided an outline of the substantive points and how this would impact on the Council's future operational activities, for example, in dealing with complaints against Members of the Council. The issue of the Localism Bill and governance was considered and how this would impact on the Council and its present decision making structure.

The Chairman thanked the Director of Neighbourhood Services for his presentation and asked that consideration be

given to publishing the Council's training opportunities to a wider body of interested parties in order to improve attendance, efficiencies of the service and training provision.

RESOLVED – that the presentation be received.

444 MINUTES

It was noted that Minute 313 - Treasury Management Strategy Statement 2010/11 and Current Year Review, contained a minor typographical error in bullet point three in that “valances” should be deleted and amended to read “balances”.

RESOLVED – that the Minutes of the meeting held on 21 September 2011 as amended, be confirmed as a correct record and signed by the Chairman.

445 CHAIRMAN'S ANNOUNCEMENTS

The Chairman referred to the fact that the Council had been awarded Platinum Training Status. It was noted that CIPFA inspections would now be less onerous on the Council. The Chairman, on behalf of Members, congratulated Officers.

446 EXTERNAL AUDIT REPORT - 2010/11 ANNUAL AUDIT LETTER

The External Auditor provided a report which summarised the key issues arising from the work which Grant Thornton had carried out during the 2010/11 audit. The Audit Letter covered the key conclusions from work in relation to:

- auditing the 2010/11 year end accounts;
- assessing the Council's arrangements for securing economy, efficiency and effectiveness to ensure value for money is achieved; and
- the certification of grant claims and returns to various government departments and other agencies.

It was noted that one objection had been received in respect of the financial statement which was not considered to be of significance and which was still the subject of correspondence between Grant Thornton and the Audit Commission.

A Member raised concerns about IT controls especially since the Council was continuing to investigate shared services. The Director of Internal Services stated that all three organisations which the Council was involved with in terms of shared services, had their own issues around IT and that the Council did not have any more significant weaknesses than its partners.

The Chairman stated that this was one of the best audits that the Council had had. Members received the report.

RESOLVED – that the report be received.

447 COUNCIL'S RESPONSE TO 2010/11 ANNUAL AUDIT LETTER

The Director of Internal Services submitted a report in response to the External Auditor's Annual Audit Letter 2010/11. He referred to the three areas which had been identified for further action in 2011/12, the detail of which was set out in the report now submitted. These issues related to:

- the impact of capital spending on asset valuations;
- monitoring the Medium Term Financial Plan; and
- the RAG (Red/Amber/Green) rating of savings proposals.

A Member referred to the asset valuation of Hertford Theatre. The Director of Internal Services referred to the drivers behind the Council's investment in the Theatre.

Members endorsed the response to the Annual Audit Letter and recommended to the Executive that the Council act on the three areas identified above as highlighted by the External Auditor, which would improve the Council's arrangements.

RESOLVED - that (A) the response to the Annual Audit letter be endorsed; and

(B) the Executive be advised that the Council should act on the three areas identified above by the External Auditor to improve the Council's arrangements.

448 UPDATE ON IMPLEMENTATION OF ANNUAL GOVERNANCE ACTION PLAN

The Shared Internal Audit Service Audit Manager submitted a report setting out nine proposed measures to enhance the Council's internal control framework during 2011/12, the detail of which was set out in Essential Reference Paper "B" of the report now submitted.

The Director of Internal Services provided an update on the following actions and that their target dates be revised as follows:

- Risk that Shared Service programs fail to deliver required levels of efficiency (target date amended to June 2012) and that a further bullet point be included "Acceptable business case";
- Action arising from the review by the External Auditor of C3W (target amended to February 2012); and
- CCTV Governance Issues (target date amended to June 2012).

Concerns were expressed about CCTV Governance Issues especially in the light of the progression of shared services.

A Member expressed concern regarding the "readability" of the Council's website and the use of certain colours i.e. grey on black and requested that a comprehensive review of the website be undertaken. The Chairman also suggested that Members be provided with training on the use of the website. Members supported a suggestion that the Work Programme

for 18 January 2012 be amended to reflect this request.

Members noted the progress made against the implementation of the action plan contained in the 2010/11 Annual Governance Statement. Members also supported a request that Officers be requested to undertake a review of the Council's website in order to improve its "readability" and that website training be provided for Members at its meeting on 18 January 2012

RESOLVED – that (A) the progress made against the implementation of the action plan contained in the 2010/11 Annual Governance Statement be noted;

(B) Officers be requested to undertake a review of the Council's website in order to improve its "readability"; and

(C) website training be provided for Members at its meeting on 18 January 2012.

449 RISK MANAGEMENT MONITORING REPORT 1 AUGUST 2011 TO 30 SEPTEMBER 2011

The Leader of the Council submitted a report on the actions taken to mitigate and control strategic risks during the period 1 July to 30 September 2011. The Director of Internal Services updated Members in relation to the six key issues. It was noted that risk SR1 (Risk of Significant Reduction in Funding above that planned for) had been reduced within the risk matrix from a level four to a three. In response to a query, the Director provided clarification regarding savings to be achieved following staff re-organisation. He assured the Member that there had been complete transparency of decision making. The Chairman reminded Members of the Scrutiny process and what opportunities existed for Members to challenge the Executive via call in.

Members noted the report.

RESOLVED – that the action taken to mitigate and

control strategic risks during the period 1 July to 30 September 2011 be noted.

450 AUDIT COMMITTEE WORK PROGRAMME

The Manager of Corporate Risk submitted a report on the revised Audit Committee work programme for the 2011/12 civic year. The Chairman referred to an earlier request that website training be provided for Members and be included on the agenda for its meeting on 18 January 2012 and that Officers be requested to review the Council’s website in terms of its “readability”. This was supported.

RESOLVED – that the revised work programme for Audit Committee be approved.

The meeting closed at 8.10 pm

Chairman
Date