

MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE HELD IN THE  
COUNCIL CHAMBER, WALLFIELDS,  
HERTFORD ON WEDNESDAY 23  
SEPTEMBER 2015, AT 7.00 PM

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PRESENT: Councillor W Mortimer (Chairman).  
Councillors J Cartwright, I Devonshire,  
P Kenealy and S Stainsby.

ALSO PRESENT:

Councillors P Ruffles, M Stevenson and  
G Williamson.

OFFICERS IN ATTENDANCE:

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

ALSO IN ATTENDANCE:

Sarah Ironmonger	- Grant Thornton
Nick Jennings	- Shared Anti-Fraud Service
James Kidd	- Shared Anti-Fraud Service
Helen Maneuf	- Shared Internal Audit Service

282 TRAINING ITEM – THE SHARED INTERNAL AUDIT SERVICE (SIAS) AND THE SHARED ANTI-FRAUD SERVICE

Members were provided with a training presentation by the Shared Internal Audit Service (SIAS) and the Shared Anti-Fraud Service (SAFS). The Director of Finance and Support Services and representatives of SIAS and SAFS responded to a number of questions from the Committee in respect of the training.

The Chairman thanked the representatives of SIAS and SAFS for the informative presentation.

RESOLVED – that the presentation be received.

283 APOLOGIES

Apologies for absence were submitted on behalf of Councillors B Deering and P Phillips.

284 MINUTES – 15 JULY 2015

RESOLVED – that the Minutes of the meeting held on 15 July 2015 be confirmed as a correct record and signed by the Chairman.

285 EXTERNAL AUDIT – AUDIT FINDINGS REPORT

The External Auditor submitted a report setting out significant findings arising from the audit for the year ending 31 March 2015. The report also presented the External Auditor's findings to management and those charged with governance in accordance with the requirements of the International Standard on Auditing 260 (UISA UK and I).

The External Auditor advised that the audit was substantially complete subject to the finalisation of their work in areas as detailed in the report. A number of key messages had arisen from the audit, as detailed in the report. Subject to the finalisation of the highlighted areas,

the External Auditor anticipated providing an unqualified opinion on the Council's financial statements.

The External Auditor also anticipated providing an unqualified opinion in respect of the Value for Money (VfM) conclusion. Members were advised of three minor internal control issues as detailed in the report.

Officers in the Council's finance department were thanked for their support in the preparation of this report.

The Director of Finance and Support Services stated that future system capability of the Council's financial system would improve the internal control of the Authority. She assured the Committee that once the contract on the current non-bespoke system expired at the end of 2017, adjustments would be made to ensure the Council's financial system delivered what the Authority needed going forward.

The Committee received the report.

RESOLVED – that the report be received.

## 286 STATEMENT OF ACCOUNTS 2014/15

The Executive Member for Finance and Support Services submitted a report which set out the background to the 2014/15 Statement of Accounts and detailed the overall financial position on the balance sheet, revenue activities for the General Fund and the Collection Fund. The report summarised changes in reporting requirements from 2013/14 and supporting comments on the key financial statements.

The Director of Finance and Support Services responded to a comment from Councillor I Devonshire regarding the Council's increasing pension liabilities.

The Committee approved the report.

RESOLVED – that (A) the Council's Statement of

Accounts for 2014/15 be approved and that the Chairman of Audit Committee be authorised to sign the Statement at the conclusion of the meeting; and

(B) the Letter of Representation be approved for signature by the Chairman of Audit Committee and the Director of Finance and Support Services.

287 TREASURY MANAGEMENT STRATEGY STATEMENT  
2014-15 OUTTURN

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The Executive Member for Finance and Support Services submitted a report which reviewed the Council's treasury management activity for 2014/15 and which identified the associated impact on the 2015/16 treasury management strategy.

Members were referred to Essential Reference Paper 'C' for the Prudential and Treasury Indicators as at 31 March 2015. The Committee approved the report.

RESOLVED – that the 2014/15 Treasury management activity and Prudential Indicators be approved.

288 ANNUAL GOVERNANCE STATEMENT 2014/15

The Leader of the Council submitted a report setting out the 2014/15 Annual Governance Statement and the 2015/16 Annual Governance Statement Action Plan as detailed within the supporting Essential Reference Papers.

The Head of Governance and Risk Management reminded Members that the Annual Governance Statement, under the Accounts and Audit Regulations 2011, required Authorities to conduct an annual review of the effectiveness of its system of internal control.

Members were advised that the static part of the Annual Governance Statement was detailed at Essential

Reference Paper 'B' and this document showed tracked changes made to last year's statement. The Annual Governance Statement Action Plan 2015/2016 was detailed at Essential Reference Paper 'C' and identified three issues which would continue to be monitored through Corporate Management Team (CMT) and Audit Committee.

The Committee approved the report.

RESOLVED – that the 2014/15 Annual Governance Statement and 2015/16 Action Plan, as now detailed, be approved.

289 SHARED INTERNAL AUDIT SERVICE – ANNUAL REPORT 2014/15

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The Shared Internal Audit Service submitted their annual report on the activity of the Shared Internal Audit Service (SIAS) during the 2014/15 financial year. The SIAS Head of Assurance provided a summary of the highlights that had been achieved.

Members were reminded of the importance of harnessing the power of partnership working and the sharing of learning. The SIAS Head of Assurance referred the Committee to figure 4 in her report for the key observations from the Joint Review of Annual Governance Statements.

The Chairman commented on the importance of organised and disciplined audit work. The Director of Finance and Support Services reminded Members that Audit Plans now covered a 3 year period. The Director advised Councillor J Cartwright that she was a board Member of SIAS in her position as the Council's Section 151 Officer.

The Audit Committee was advised that if any issue arose and there was any concern regarding a conflict of interest in that matter then Members could approach the Council's Monitoring Officer or the Chief Executive.

The Committee received the report.

RESOLVED – that the report be received.

290 SHARED INTERNAL AUDIT SERVICE – AUDIT PLAN UPDATE

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The Shared Internal Audit Service submitted a report detailing the progress made in delivering the Council's Annual Audit Plan for 2015/16 and proposed amendments to the approved 2015/16 Audit Plan. Members were also provided with an update on the status of previously agreed high priority audit recommendations and an update on performance management information for the period up to 4 September 2015.

Councillor J Cartwright sought and was given clarification in terms of the definition of the Changing the Way We Work (C3W) programme and the benefits as regards business continuity. The Committee noted the progress made on the information as detailed by Internal Audit and the status of high priority recommendations.

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

(B) the status of high priority recommendations be noted.

291 SHARED ANTI-FRAUD SERVICE (SAFS) POSITION

The Shared Anti-Fraud Service (SAFS) submitted a report in respect of the progress made by the new SAFS since its launch on 1 April 2015. The report updated Members on the progress in respect of a proposed shared fraud strategy, the proposed countywide SAFS publicity campaign and the proposed format of future half-yearly reports.

In response to a query from Councillor J Cartwright regarding governance and funding, the Director of

Finance and Support Services agreed to circulate the original SAFS business case that had been approved by the Executive in December 2014.

The Director stated that the SAFS had been set up in a short space of time and that the initial set up costs had been covered by a grant from the Department of Communities and Local Government (DCLG). She advised that the SAFS would be at the forefront of anti-fraud work and was cutting edge. Members received the report.

RESOLVED – that (A) the Shared Anti-Fraud Service progress report be noted; and

(B) the proposed format for future half-yearly reports be supported.

292 RISK MANAGEMENT MONITORING REPORT 1 APRIL TO 30 JUNE 2015

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The Executive Member for Finance and Support Services submitted a report on the actions that had been taken to mitigate and control strategic risks during the period April to June 2015.

The Head of Governance and Risk Management advised that 9 risks had been updated and 4 had been removed from the strategic risk register. 5 new strategic risks had been added and the previous risk register had also been updated.

The Committee approved the report as now detailed.

RESOLVED – that the actions taken to mitigate and control strategic risks be approved.

293 WORK PROGRAMME

The Director of Finance and Support Services submitted a report setting out the proposed Audit Committee work programme. The Head of Governance and Risk

Management stated that a revised date of the 16 March 2016 had now been set for the meeting originally scheduled for April 2016.

Members agreed that they would receive future training items in respect of treasury management and the local government pension scheme.

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

The meeting closed at 8.51 pm

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