

MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE HELD IN THE  
COUNCIL CHAMBER, WALLFIELDS,  
HERTFORD ON WEDNESDAY 19  
JANUARY 2011, AT 7.00 PM

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PRESENT: Councillor J O Ranger (Chairman)  
Councillors Mrs M H Goldspink, J Hedley,  
M Pope, R A K Radford and J P Warren

ALSO PRESENT:

Councillors D Andrews and P A Ruffles

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Committee Secretary
Alan Madin	- Director of Internal Services
Graham Mully	- Risk Assurance Officer

ALSO IN ATTENDANCE:

Nick Taylor – Grant Thornton

514 APOLOGIES

Apologies for absence were received from Councillors K Darby and A Graham. It was noted that Councillor Mrs M H Goldspink was substituting for Councillor A M Graham.

515 MINUTES

RESOLVED – that the Minutes of the Audit Committee meeting held on 24 November 2010 be confirmed as a correct record and signed by the Chairman.

516 TRAINING - FRAUD AWARENESS AND ANTI-FRAUD ARRANGEMENTS

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The Internal Audit and Business Improvement Manager provided a training session on Fraud Awareness.

The Chairman, on behalf of Members, thanked the Officer for the detailed presentation.

RESOLVED – that the training be received.

517 TRAINING - RISK MANAGEMENT

The Risk Assurance Officer provided a training session on Risk Management.

The Director of Internal Services stated that because of the work undertaken on risk management, largely due to the efforts of the Risk Assurance Officer, the Council had been asked to pilot an initiative for Zurich Insurance. He congratulated Officers on their achievements.

The Chairman, on behalf of Members, thanked the Officer for the detailed presentation and congratulated him on being asked to pilot the initiative.

RESOLVED – that the training be received.

518 EXTERNAL AUDIT - PROGRESS REPORT

Nick Taylor of Grant Thornton submitted a report on audit progress to January 2011. He stated that no problems had been identified.

In response to a query from Councillor M Pope concerning the Audit Commission's disbandment and who might in future, produce documents such as the one referred to by the Internal Audit and Business Improvement Manager in his training session regarding Fighting Fraud against Local Government and Local Taxpayers, Nick Taylor stated that things were as yet, uncertain. He added that another

Government department might take over matters such as publications.

The Chairman was pleased to see that there would be a reduction in Audit Fees.

The Committee received the report.

RESOLVED – that the report be received and noted.

519 UPDATE ON IMPLEMENTATION OF ANNUAL GOVERNANCE ACTION PLAN

The Internal Audit and Business Improvement Manager submitted a report reviewing the progress made against the 2010/11 Annual Governance Statement Action Plan and the nineteen issues requiring action to enhance internal control.

The Internal Audit and Business Improvement Manager stated that one issue requiring action was considered to be complete in relation to the risk of action by key strategic partnerships occurring in an uncoordinated way. Other actions were mostly at the “Amber” stage and there had been limited movement due to the relatively short period between meetings.

Councillor Mrs M H Goldspink asked that her thanks to the Officer for changes made to the template to show issues requiring action in place of milestones be recorded.

Members sought further information regarding the proposed county-wide shared audit service. The Director of Internal Services provided some background regarding the proposed arrangements and decisions taken by the County Council to invigorate their internal audit services. He advised that the intention was for a report to be presented to Members at the Executive on 8 March 2011 recommending that East Herts Council join the partnership. He added that by joining from the beginning, the Council would be best placed to provide an active steer within the initiative. The Director of Internal

Services stated that there would be a lot of new “blood” at County level and that some staff would be coming from the Districts. He praised the Interim Hertfordshire County Council Chief Internal Auditor for moving the partnership initiative forward.

In response to a query from Councillor J Hedley regarding the implications for staff who might not be offered posts within the new arrangement, the Director of Internal Services referred to East Herts Council’s redeployment procedures and indicated that normal policies would apply.

The Chairman referred to the need to learn the lessons from other shared internal audit services, specifically in the South West.

The Committee received the report.

RESOLVED – that the progress made be noted.

## 520 INTERNAL AUDIT SERVICE - POSITION STATEMENT

The Internal Audit and Business Improvement Manager submitted a report detailing the position statement on internal audit activity undertaken within the Internal Audit Service since the previous Audit Committee. It was noted that Internal Audit had continued to work on reviews of Passwords, Cashiers, Development Control, Section 106 monies, Payroll, Main Accounting, Treasury Management, Creditors, Car Parks and Grounds Maintenance. Internal Audit support had also been provided to Hertford Town Council. The final Payroll report had been issued the previous day.

The Internal Audit and Business Improvement Manager reported that thirteen recommendations had been resolved since the previous meeting.

In response to a query from Councillor Mrs M H Goldspink, concerning cheque accounting, the Internal Audit and Business Improvement Manager explained how increased electronic working would enhance the control regime.

The Committee was pleased to see a number of the actions had been resolved and received the report.

RESOLVED – that the report be received and noted.

521 WORK PROGRAMME

The Internal Audit and Business Improvement Manager submitted the Audit Committee work programme for the 2010/11 Civic Year. The detail of the programme was set out in the report now submitted.

The issue of the county-wide shared Internal Audit service was considered. The Director of Internal Services proposed that, given the next meeting of the Audit Committee was scheduled for a later date than the Executive meeting on 8 March 2011, he keep the Chairman of the Audit Committee fully informed of progress towards a shared service. This would ensure Member involvement in the process before the matter was formally considered by the Executive on 8 March. The Committee supported this proposal.

RESOLVED – that the work programme for Audit Committee be approved and that the Audit Committee Chairman be kept fully informed of the progress towards a shared county-wide Internal Audit Service.

The meeting closed at 8.25 pm

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