



HERTSMERE BOROUGH COUNCIL

Audit Committee Agenda

MONDAY, 13 JULY 2015 AT 7.30 PM

COMMITTEE ROOMS A AND B, CIVIC OFFICES, ELSTREE WAY, BOREHAMWOOD

Membership

Councillor Goldstein (Chairman)
Councillor Burcombe
Councillor Kelly

Councillor Sachdev (Vice-Chairman)
Councillor P Hodgson-Jones

Enquires about this Agenda to:
Democratic Services

Phone: 020 8207 7558
Email:
democratic.services@hertsmere.gov.uk

YOU CAN LOOK AT A PAPER COPY OF THE NON-CONFIDENTIAL COMMITTEE AGENDA AND REPORTS OF OFFICERS AT LEAST FIVE WORKING DAYS BEFORE THE MEETING AT:
The Civic Offices, Elstree Way, Borehamwood ,

YOU CAN LOOK AT AN ELECTRONIC VERSION OF THE NON-CONFIDENTIAL COMMITTEE AGENDA AND REPORTS OF OFFICERS AT LEAST FIVE WORKING DAYS BEFORE THE MEETING AT:
The Council's Area Office at Bushey Centre, High Street, Bushey,
The Council's Area Office at The Wyllyotts Centre, Darkes Lane, Potters Bar,
Aldenham Parish Council Offices, Aldenham Avenue, Radlett; and
all County Council libraries in Hertsmere.

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The unconfirmed Minutes of meetings are usually available to look at seven working days after the meeting.

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CONTACT DEMOCRATIC SERVICES ON 020 8207 7483 OR 020 8207 7806 FOR ANY FURTHER ADVICE.

Chief Executive
Civic Offices
Elstree Way
Borehamwood
Herts WD6 1WA

URGENT LATE BUSINESS

Members are requested to notify the Democratic Services Officer of any additional urgent business which they wish to be discussed by the Committee following the matters set out on either the Part I or Part II Agenda, so that their request can be raised with the Chair. Under the Access to Information Act 1985, Members must state the special circumstances which they consider justify the additional business being considered as a matter of urgency.

1. MEMBERSHIP

To receive details of any changes in membership of the Committee notified since the agenda was printed.

2. COMMUNICATIONS AND APOLOGIES

(a) Communications (if any) relating to business on the agenda.

(b) Apologies for absence.

3. DECLARATIONS OF INTEREST

Members are required to declare any disclosable pecuniary interests they or their spouse/partner have in any matter which is to be considered at this meeting. Members must also declare any other pecuniary or non-pecuniary interests they have in any matter to be considered at this meeting. The responsibility for declaring an interest rests solely with the member concerned.

Members must clearly state to the meeting the existence and nature of any disc losable pecuniary interest, other pecuniary interest or non-pecuniary interest and the agenda item(s) to which it/they apply.

Disclosable Pecuniary Interests are prescribed by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows;

Employment, office, trade, profession or vocation

Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship

Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by a member in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour

Relations (Consolidation) Act 1992.

Contracts

Any contract which is made between the relevant person (and a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.

Land

Any beneficial interest in land which is within the area of the relevant authority.

Licences

Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.

Corporate tenancies

Any tenancy where (to the member's knowledge) - (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.

Securities

Any beneficial interest in securities of a body where - (a) that body (to the member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

In cases of disclosable pecuniary interest, Members must withdraw from the meeting room while the matter is being considered.

4. MINUTES

To confirm and sign the minutes of the meetings of the Committee held on 1st April and 20th May 2015.

In accordance with the Constitution, no discussion shall take place upon the minutes, except upon their accuracy.

ATTACHED
(Pages 9 - 16)

5. **ANTI-FRAUD QUARTERLY REPORT**

This report introduces the new anti-fraud service provided by the Shared Internal Audit Service and details action taken since this service commenced.

A/15/14
(Pages 17 - 22)
6. **PRESENTATION OF THE 2014/15 STATEMENT OF ACCOUNTS**

This report presents the Council's Statement of Accounts for 2014/15 for recommendation to external audit.

A/15/15
(Pages 23 - 62)
7. **ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT ANNUAL REPORT**

This report provides internal audit's overall opinion on the adequacy and effectiveness of the Council's control environment. It also summarises the performance of the internal audit service during 2014/15, discloses internal audit's conformance with the Public Sector Internal Audit Standards and includes the Audit Charter.

A/15/16
(Pages 63 - 94)
8. **SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT**

This report provides information on progress made by SIAS in delivering the 2015/16 Internal Audit Plan; findings for 1 April to 26 June 2015 period; proposed amendments to the approved Audit Plan and the implementation status of previously agreed Audit recommendations.

A/15/17
(Pages 95 - 130)
9. **ANNUAL GOVERNANCE STATEMENT**

This report explains how the Council has maintained sound governance during the 2014/15 financial year, how it meets various legislative requirements and identifies any significant governance issues.

A/15/18
(Pages 131 - 160)
10. **RISK MANAGEMENT - PROGRESS AND UPDATE REPORT**

This report reviews and updates the Strategic Risks and progress against the Risk Management Strategy. An annual report on risk and opportunities management at HBC during the financial year 2014/15, as outlined in the Council's Risk Management Strategy, is attached to this report.

A/15/19
(Pages 161 - 176)

11. **AUDIT COMMITTEE - RECENT PUBLICATIONS**

This paper provides the Audit Committee with information on recent Grant Thornton publications which may be of interest.

A/15/20
(Pages 177 -
184)

12. **ANY OTHER NON-CONFIDENTIAL BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT**

In accordance with S100b(4) of the Local Government Act 1972, amended by the Access to Information Act of 1985, no urgent business may be raised unless it has been approved by the Chair. The item and reason for urgency must be announced at the start of the meeting.

13. **DATE OF NEXT MEETING**

The next meeting of the Committee is scheduled to take place on 21 September at 7.30 p.m. in the Civic Offices, Elstree Way, Borehamwood.

Civic Offices,
Elstree Way
Borehamwood
HERTS WD6 1WA

02 July 2015

AUDIT COMMITTEE **TERMS OF REFERENCE**

1. The Committee is charged with the responsibility for promoting internal control by the systematic appraisal of the authority's internal control framework, the corporate governance and the risk management arrangements and the anti-fraud and anti-corruption arrangements.
2. The Committee is charged with the responsibility for focusing audit resources, by agreeing the audit plans and monitoring delivery of the audit service.
3. The Committee will monitor both internal and external audit performance, ie.,
 - auditor / officer collaboration within the agreed timescales,
 - the timely preparation and response to audit reports,
 - the implementation of audit recommendations.
4. The Committee will receive reports regarding the Council's compliance with the relevant standards, codes of practice and corporate governance policies.
5. The Committee will seek to enhance the profile, status and authority of the audit function.
6. The Committee will seek to contribute towards making the authority, its committees and services more responsive to the audit function.
7. To note the Authority's Statement of Accounts before they are audited by the Council's external auditor.
8. To consider and approve the Authority's Statement of Accounts prior to publication.

REMIT

The Committee will:-

- (a) Agree the annual and strategic audit plans,
- (b) Review internal audit's progress against the audit plan and consider internal audit performance measures,
- (c) Receive and consider a summary of internal audit work undertaken since the last meeting, plus current status of work,
- (d) Receive and consider all external audit reports,
- (e) Receive and consider the external auditor's annual audit letter,
- (f) Monitor the implementation of internal and external audit recommendations.