

**HERTSMERE BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**Minutes of the meeting held in Committee Rooms A and B, Civic Offices,  
Elstree Way, Borehamwood**

13 July 2015

**Present:**

**Voting Members:**

Councillors Goldstein (Chairman), A Sachdev (Vice-Chairman), Burcombe and Kelly

**Also present:**

Councillors

**Officers:**

S Bijle	Director of Resources
P Hughes	Democratic Services Manager
B Moldon	Finance and Business Services Manager
C Wood	Principal Auditor

Also in attendance - of RSM Robson Rhodes.

117. **MEMBERSHIP**

The Chairman reported that Councillor Eni had replaced Councillor Hodgson-Jones as a member of this Committee.

118. **COMMUNICATIONS AND APOLOGIES**

Noted that Councillor Hodgson-Jones was unable to attend this meeting.

119. **DECLARATIONS OF INTEREST**

No Members had an interest to declare in relation to the items of business on the agenda for the meeting.

120. **MINUTES**

**RESOLVED** that the minute of the meetings of this Committee held on 1 April and 20 May 2015, be confirmed as a correct record.

121. **ANTI-FRAUD QUARTERLY REPORT**

The Director of Resources reminded the Committee of the circumstances that led to the establishment of the Shared Anti-Fraud Service. Hertsmere had joined Broxbourne; East Herts; North Herts; Stevenage and Hertfordshire County Council in the provision of anti-fraud services, following the removal of housing benefit fraud functions from local authorities. This new service would assist these authorities in combatting fraud in council tax discount; Blue Badge misuse; business rates and housing.

The report detailed the make-up of the new anti-fraud team and its method of working. The meeting noted that since the launch of the service last month, no fraud activity had been detected in Hertsmere.

**RESOLVED** that the information contained in the report of the Shared Anti-Fraud Service be noted.

122. **PRESENTATION OF THE 2014/15 STATEMENT OF ACCOUNTS**

The Committee considered Report A/15/15 and received a detailed presentation from Officers (attached as Appendix A). A full discussion was held during which a number of questions were raised by members and responded to by officers. The following particular points were noted:

- that the path for finalisation of these accounts included approval by this Committee on 21 September and submission to Council on 25 November 2015;
- that a report on the financial performance of the Council was regularly submitted to meetings of the Scrutiny Committee throughout the year;
- that officers would provide Councillor Eni with details of the "Other minor variations" as stated on the Environmental Health Financial Monitoring Report;

The Committee thanked Officers for a detailed presentation and for the replies to Member questions.

**RESOLVED** that:

(1) the Statement of Accounts 2014/15 (as detailed in Appendix I to report A/15/15) be noted and its submission for external audit be approved.

(2) authority be delegated to the Chief Finance Officer, in consultation with the Leader of the Council and the Finance and

Property Portfolio Holder, to make any appropriate minor changes to the Statement of Accounts prior to its approval by the external auditors.

123. **ANNUAL ASSURANCE STATEMENT AND AND INTERNAL AUDIT ANNUAL REPORT**

This report documented the opinion of internal audit's on the adequacy and effectiveness of the Council's control environment. It went on to summarise the audit work from which the opinion was derived and the performance of the Shared Internal Audit Service (SIAS) in respect of audit work delivered for the Council. Finally the report presented the Audit Charter for 2015/16.

The SIAS Audit Manager introduced this report and advised the Committee that the SIAS opinion on financial systems and non-financial systems was "substantial assurance" for both. In the opinion of SIAS the corporate governance and risk management framework substantially complied with the best practice guidance on corporate governance issued by CIPFA and SOLACE.

The meeting noted the internal audit activity in 2014/15 and that it was the intention of the Director of Resources to vigorously pursue the findings of the Corporate Debt Management audit report to secure an improved level of performance in that area.

The Director of Resources provided assurance to the Committee that the scope and resources for internal audit were not subject to inappropriate limitations in 2014/15.

A member drew attention to the problems I Pad users had had in viewing this agenda and suggested that the Committee Members be allowed to submit any comments they have on this report to the Director of Resources until the end of this month.

**RESOLVED** that

- (1) the Annual Assurance Statement and Internal Audit Annual Report be noted;
- (2) the results of the self-assessment, as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme, be noted;
- (3) the SIAS Audit Charter be accepted, and
- (4) note the assurance provided by the Director of Resources that the scope and resources for internal audit had not been subject to inappropriate limitations in 2014/15.

124. **SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT**

The Shared Internal Audit Service (SIAS) submitted a report to the Committee detailing progress made by SIAS on: delivery of the Council's 2014/15 and 2015/16 Internal Audit Plan as at 20 June 2015; findings for the period 15 March 2015 to 20 June 2015; proposed amendments to the Audit Plan; status of audit recommendations and an update on performance management information as at 20 June 2015.

The Committee noted that 22.5% of the Audit Plan had been delivered.

**RESOLVED** that the information contained in the Shared Internal Audit Service progress report (A/15/17) be noted and the amendments to the Audit Plan be approved.

125. **ANNUAL GOVERNANCE STATEMENT**

The Director of Resources introduced the Annual Governance Statement for 2014/15 to the Committee. The Statement explained how the Council had maintained sound governance during the 2014/15 financial year and how the Council met the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011. The Director pointed out that this Statement was very closely related to the Statement of Accounts considered early in the meeting, and that these documents provided information on the Council's general performance in 2014/15.

The governance framework, in place for the financial year 2014/15, comprised the systems and processes as well as the culture and values, by which the Council was directed and controlled and through which it accounted to, engaged with and led the community. This framework enabled the Council to monitor the achievement of its strategic objectives and to consider whether those objectives had led to the delivery of appropriate and cost-effective services.

The meeting considered the contents of the Annual Governance Statement Action Plan and noted that action had been taken on the Hertsmere Leisure Trust issue.

**RESOLVED** that

- (1) the Council's Draft Annual Governance Statement (AGS) and Action Plan be approved.
- (2) the Action Plan associated with the AGS be noted.
- (3) subject to any changes required prior to their signing, the AGS be included in the Statement of Accounts 2014/15.

126. **RISK MANAGEMENT - PROGRESS AND UPDATE REPORT**

The Committee had before them a report from the Risk Manager which proposed a change in the likelihood of the Data Protection & Information Management risk, and that a new risk of establishment of a development company be added. The report also submitted the Annual Risk Management Report 2014/15 for approval.

**RESOLVED** that

- (1) the increase in the assessment of the Data Protection & Information Management Risk be agreed.
- (2) the addition of a new Strategic Risk arising from the opportunities from the “Establishment of a Development Company” be agreed.
- (3) the Annual Risk Management Report 2014/15 be approved.

127. **AUDIT COMMITTEE - RECENT PUBLICATIONS**

The representative of Grant Thornton had circulated summaries of the following publications by his company which might be of interest to Members of the Committee: “Spreading their Wings”; Easing the Burden” and “Understanding your Accounts – member guidance”.

Noted.

128. **ANY OTHER BUSINESS**

None.

129. **DATE OF NEXT MEETING**

The next meeting of this Committee will take place on 21 September 2015 in the Civic Offices, Borehamwood.

**CLOSURE: 9.36 pm**

**CHAIRMAN**

