



**DACORUM BOROUGH COUNCIL**

**AUDIT COMMITTEE MINUTES**

**26 JUNE 2013**

**Present:**

**Councillors:** Adshead Taylor (Chairman)  
McKay W Wyatt-Lowe  
Harris

Portfolio Holder for Finance and Resources, Councillor Tiley

**Officers:** J Deane Assistant Director (Finance & Resources)  
S Marshall Corporate Director (Finance & Governance)  
J Doyle Group Manager (Democratic Services) (Minutes)

The meeting began at 7.30 pm

### **30. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Doole, Douris and Elliot. Councillor McKay substituted on behalf of Councillor Doole.

### **31. DECLARATIONS OF INTEREST**

None.

### **32. MINUTES AND ACTIONS**

The minutes of the meeting held on 29 May 2013 were agreed by the Members present and then signed by the Chairman.

### **33. PUBLIC PARTICIPATION**

None.

### **34. STATEMENT OF ACCOUNTS 2012/13**

The Chair drew the attention of the committee to 5 new pages (page nos. 13, 32, 33, 69 and 74) for the Statement of Accounts which were circulated at the meeting.

S Marshall Corporate Director (Finance & Governance) explained the reasons for circulating the updated sheets is that during the preparation of the draft accounts there have been ongoing discussion with external auditors on the preferred method for treating the Local Government Mortgage Scheme figures.

There are two accounting views on how to treat this element of the accounts. The external auditors, Ernst & Young preference is that these Local Government Mortgage Scheme monies are treated as investments. It was decided to switch to this method in order to avoid these figures appearing as a material error in the accounts and, additionally, it makes no change to the bottom line. SM then set out how this approach changed the figures for 'long term debtors'; investments; long term investments; and the cash flow statement.

Councillor McKay asked if part of the reason for the change is to register interests gained and it was agreed that this may be the case.

SM will sign off the pre-audit accounts once these alterations have been incorporated.

SM then gave a brief overview of the accounts. She commended the work done by R Baker in pulling the accounts together and the challenge provided by Paul Sutton, James Deane and herself.

Although there is no longer any statutory requirement to do so, the Pre-audit accounts will be brought to this committee in June. Full dialogue with the auditors will be maintained during this time and it was noted that to date, there do not appear to be any of the issues with valuers that have dogged past accounts.

J Deane, Assistant Director (Finance & Resources) then took the committee through various issues arising from the statement particularly the handling of the £38m difference on page 30 of the accounts.

Councillor Tiley confirmed that the £56k adjustment identified in Para 8 of the report related to a particular matter which he and the Corporate Director (Finance & Resources) had discussed and that this sum should cover the cost of the legal advice being sought.

Councillor McKay sought some clarification on the deficit identified in the Environmental & Regulatory services budget and a commitment was made to provide him with a detailed breakdown after the meeting.

Further questions were asked regarding the valuation put on Hemel Hempstead Civic Centre and the likely saleable value of the site. He was advised that these two values would be assessed in different ways; The current asset would hold an 'operational value' at present whereas in a sale this site would attract a 'saleable' value.

Councillor Lloyd then spent some time identifying the path of parish precepts through the accounts i.e how we identify where funding for this comes in, and then how the allocation/spend is recorded.

He went on to discuss the Capital Adjustment Account on the Balance Sheet of the Statement of Accounts and was referred to the detailed note on page 72 which sets out what this figure encompasses.

The Chairman concluded by re-iterating the praise of Richard Baker for his contribution in completing this Statement of Accounts and asked that the thanks from the Audit Committee be recorded in the minutes.

#### **Resolved:**

That the Audit Committee:

- a) Reviewed the financial out-turn position for 2012/13;
- b) Approved the movements on earmarked reserves;
- c) Reviewed and approved the Capital Carry Forwards to 2013/14;
- d) Reviewed the Statement of Accounts 2012/13;
- e) Approved the Annual Governance Statement included within the Statement of Accounts.

#### **Actions:**

None.

### **35. WORK PROGRAMME**

The committee went through the proposed work programme for this year.

Particular attention was paid to the need for the September committee to receive the first reports produced by the recently appointed Internal Auditors. The Corporate Director

(Finance & Resources) anticipated that these would take a different approach to the past and should include:

- The Review of the Council's Risk Management Strategy/Procedures; and
- Value for Money review of Environmental Services.

**Resolved:**

That the Work Programme for the Audit Committee be noted.

The meeting ended at 8.00 pm