



Audit Committee Agenda

7.30pm Wednesday 18 September 2013

Bulbourne Room, Civic Centre, Hemel Hempstead

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Adshead	Harris
Doole	Taylor (Chairman)
Douris	W Wyatt-Lowe
Elliot	

Substitute Members: Councillors Anderson, Marshall, McKay and Townsend.

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PART I

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1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

(ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

3. MINUTES AND ACTIONS

To confirm the minutes of the meeting held on 26 June 2013 and consider the actions (Appendix A)

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation.

5. AUDIT RESULTS REPORT - ISA 260

Report to follow

6. LETTER OF REPRESENTATION TO THE AUDITOR

Report to follow

7. 2012/13 FINANCIAL STATEMENTS

Report to follow

8. INTERNAL AUDIT PROGRESS REPORT

Report to follow

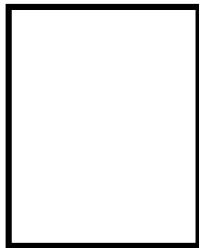
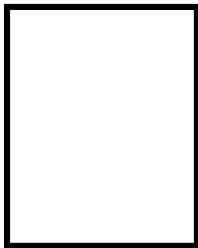
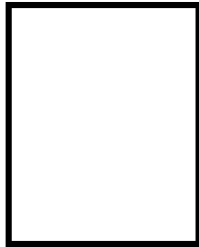
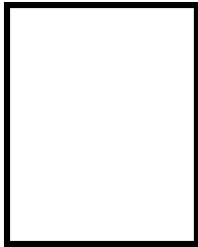
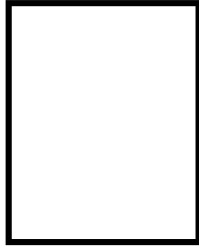
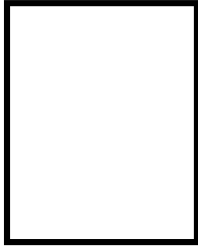
9. GOVERNANCE REPORT

Report to follow

10. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during this item there would be disclosure to them of exempt information relating to:



APPENDIX A

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

42. APOLOGIES FOR ABSENCE

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

43. DECLARATIONS OF INTEREST

None.

44. 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.

45. PUBLIC PARTICIPATION

None.

46. 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.

47. 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

AUDIT COMMITTEE: Work Programme 2013-14

MEETING DATE	DEADLINE TO MONITORING OFFICER	DEADLINE TO MEMBER SUPPORT	ITEMS:	WHO RESPONSIBLE
18 December 2013	5 December 2013	9 December 2013	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
12 February 2014	30 January 2014	3 February 2014	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit
			Approval of Internal Audit Plan 2014/15	Internal Audit
30 April 2014	16 April 2014	22 April 2014	Internal Audit Reports (TBC)	Internal Audit
			Internal Audit Progress Report	Internal Audit