



Audit Committee Agenda

7.30pm, Wednesday 30 July 2014

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, N Hollinghurst, Marshall, McKay and Townsend.

For further information, please contact Jim Doyle on Tel: 01442 228222, Email: jim.doyle@dacorum.gov.uk Information about the Council can be found on our website: www.dacorum.gov.uk

PART I

Item	Page
1. Apologies for Absence	2
2. Declarations of Interest	2
3. Minutes and Actions	2
4. Public Participation	2
5. Internal Audit Reports	2
6. Internal Audit Progress Report	3
7. External Audit Results	3
8. Statement of Accounts 2013/14	4
9. Ombudsman Annual Letter	11
10. Exclusion of the Public	11
Appendix A - Work Programme 2014-15	12

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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

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- (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 17 June 2014 and consider the actions. (previously circulated).

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. INTERNAL AUDIT REPORTS

- Community Infrastructure Levy
- Performance Management

See accompanying booklet

6. INTERNAL AUDIT PROGRESS REPORT

See accompanying booklet

7. AUDIT RESULTS REPORT

Report to follow



AGENDA ITEM: 8

SUMMARY

Report for:	AUDIT COMMITTEE
Date of meeting:	30 July 2014
PART:	I

Title of report:	Statement of Accounts 2013/14
Contact:	Cllr N Tiley, Portfolio Holder for Finance and Resources Martin Hone, Corporate Director (Finance and Operations)
Purpose of report:	The purpose of this report is to present the Council's Statement of Accounts for 2013/14. It covers: <ul style="list-style-type: none"> · Account and Audit Regulations 2011 · Section 21(2) Local Government Act 2003 · Statement of Accounts · Commentary on financial statements
Recommendations:	It is recommended that Members of the Audit Committee: <ol style="list-style-type: none"> a) review the Statement of Accounts 2013/14 and raise any issues which will provide them with the assurance that they need to approve the Statements on behalf of the Council; b) subject to (a) above, approve the Statement of Accounts for 2013/14; and, c) subject to consideration of the External Auditor's Annual Governance report, approve the letter of representation as attached at Appendix B in the capacity of those charged with Governance.
Corporate objectives:	Corporate Governance
Statutory Officer Comments:	<p>Section 151 Officer :</p> <p>My comments are included within the body of this report and within the commentary and explanatory foreword to the Statement of Accounts.</p> <p>Monitoring Officer:</p> <p>The Council has a statutory duty to approve the Statement of Accounts by 30 September in accordance with the Account and Audit Regulations 2011.</p>
Consultees:	None
Background papers:	None

BACKGROUND

1. The Account and Audit Regulations 2011 require that local authorities must approve their financial statements by 30 September. The District Auditor must complete his audit and issue the relevant audit opinion to ensure the statutory deadline is met.
2. The purpose of the external audit of the financial statements is to give an opinion on:
 - whether they present a “true and fair” view of the financial position of the audited body and its expenditure and income for the year in question; and
 - whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards.
3. The Auditor’s opinion is added to the Statement of Accounts, with further detail of the audit findings provided in the Annual Audit Letter to the Council.
4. The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting 2013/14 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Statement of Accounts

5. It is the role of the Corporate Director (Finance and Operations) to present the Council’s annual Statement of Accounts to this Committee for formal approval.
6. The published accounts of the Council are an essential means by which it accounts for its stewardship of the resources at its disposal and its financial performance in the use of those resources. The Corporate Director (Finance and Operations), is required to:
 - a) ensure the regularity of transactions, by putting in place systems of internal control to ensure that financial transactions are lawful;
 - b) maintain proper accounting records; and
 - c) prepare financial statements that give a true and fair view of the financial position of the body and its expenditure and income.
7. The Statement of Accounts includes an explanatory foreword which provides a user-friendly guide to the most significant matters reported in the accounts together with an overview of the Council’s financial performance throughout the year, which was previously reported to Audit Committee on 17 June 2014.

Changes to the Accounts Approved by the Corporate Director (Finance and Operations) on 17 June 2014

8. There have been no material changes to the Statement of Accounts since the report to Audit Committee on 17 June 2014. Any significant amendments to the accounts will be set out in the Auditors Results Report.

Conclusion

9. The report represents a detailed picture of the Council's financial activity for 2013/14. I would like to thank all colleagues for their help, support and dedication in the preparation of the Statement of Accounts.

Statement of Accounts – see attached booklet

Date: 30 July 2014
Your reference: DBC/LoR/MH
Contact: Martin Hone
Email: martin.hone@dacorum.gov.uk
Direct line: 01442-228313
Date: 30 July 2014
Your reference: DBC/LoR/MH



Mr M Hodgson
Director
Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

Civic Centre
Marlowes
Hemel Hempstead
Hertfordshire
HP1 1HH

Telephone: 01442 228000
www.dacorum.gov.uk
DX 8804 Hemel Hempstead
D/deaf callers, Text Relay:
18001 + 01442 228000

Dear Mr Hodgson

AUDIT OF ACCOUNTS 2013/14 LETTER OF REPRESENTATION

In response to your letter dated 23 July 2014, we set out below details of the Council's letter of representation in relation to the audit of accounts 2013/14 as requested. The signatories to this letter, being those charged with governance at the Council, can confirm the following:

Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the CIPFA Code of Practice on Local Authority Accounting (CIPFA Code).
2. We acknowledge our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Council in accordance with the CIPFA Code and are free of material misstatements, including omissions. We have approved the financial statements.
3. We confirm that the Responsible Finance Officer has:
 - Reviewed the accounts
 - Reviewed all relevant written assurances relating to the accounts
 - Made other enquiries as appropriate
4. That the significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
5. That we believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that are free from material misstatement, whether due to fraud or error.

Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Council internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, and allegations by 'whistleblowers') which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Council.

Compliance with Laws and Regulations

1. We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing with the financial statements.

Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in the terms of the audit engagement.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which the minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 22 July 2014.
4. We confirm the completeness of the information provided regarding the identification of related parties. We have disclosed to you the identity of the Council related parties and all related party relationships and transaction of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We have disclosed to you, and the Council has complied with, all aspects of contractual arrangements that could have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation claims, whether or not they have been discussed with the legal counsel.
3. We have recorded and disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.

Subsequent Events

1. Other than described in the financial statements, there have been no events subsequent to the period end which require adjustment of, or disclosure in the financial statements or notes thereto.

Accounting Estimates

1. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements:
 - We believe the measurement process, including related assumptions and models, we used in determining accounting estimates is appropriate and the application of these processes is consistent.
 - The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
 - The assumptions we used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

Retirement Benefits

1. We believe that the significant actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the Council, and that all significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Use if an Expert

1. We agree with the findings of experts engaged to value Property Plant and Equipment and Investment Property, and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records.
2. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

Going Concern

1. We have made you aware of any issues that are relevant to the Council's ability to continue as a going concern, including any significant conditions and events, our plans for future action, and the feasibility of those plans.

Yours sincerely

Martin Hone
Corporate Director (Finance & Operations)
Section 151 Officer

Steve Baker
Assistant Director (Chief Executive's Unit)
Monitoring Officer

Roger Taylor
Councillor
Chair of Audit Committee

Statement of Accounts – see attached booklet

9. OMBUDSMAN ANNUAL LETTER

See accompanying booklet

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 B

AUDIT COMMITTEE: Work Programme 2014-15

MEETING DATE	DEADLINE TO MONITORING OFFICER	DEADLINE TO MEMBER SUPPORT	ITEMS:	WHO RESPONSIBLE
30 July 2014	16 July 2014	21 July 2014		
30 Sept 2014	17 Sept 2014	22 Sept 2014		
17 Dec 2014	3 Dec 2014	8 Dec 2014		
11 Feb 2015	28 Jan 2015	2 Feb 2015		
7 April 2015	16 March 2015	20 March 2015		